

**Hearing before the
Joint Economic Committee
United States Congress**



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**Reducing Waste, Fraud, and Abuse Through Innovation:
How AI and Data Can Improve Government Efficiency**

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Good afternoon, Chairman Schweikert, Ranking Member Hassan, and Members of the Committee. Thank you for inviting me to discuss how technology can improve government efficiency and reduce waste, fraud, and abuse.

I serve as the Executive Director for the Council of the Inspectors General on Integrity and Efficiency, or CIGIE, the membership organization for more than 70 federal IGs. The IG community has a nearly 50-year history of conducting effective government oversight and detecting and preventing waste, fraud, and abuse.

The *Inspector General Act of 1978* established IGs and empowered them to provide independent, objective, and impartial oversight of agency programs and operations.

IGs have a dual reporting responsibility, reporting to both their agency head and to Congress. We have a long-standing relationship with Congress and a shared goal of ensuring that taxpayer dollars are spent wisely and effectively, and that government benefits are administered correctly.

IG findings are based on facts and applicable law and guided by OIG standards. Trained auditors, investigators, inspectors, evaluators, IT specialists, and attorneys work every day to promote efficient and effective government operations. In fiscal year 2024 alone, the IG community collectively totaled over \$71 billion in audit and investigative monetary accomplishments, generating a return of about \$18 for every \$1 invested in OIGs through their appropriations.

For the government to see the full value of this oversight, departments and agencies must take action to resolve OIG recommendations. There are currently over 14,000 unimplemented OIG recommendations—many of them related to improper payments. If implemented, such actions would improve payment integrity across dozens of federal programs.

For example, the Department of Labor OIG [identified](#) over \$45 billion in potentially fraudulent pandemic unemployment benefits, and the OIG has engaged the Department in resolving these high-risk payments. However, there are still outstanding recommendations in this area.

While all fraud is an improper payment, not all improper payments are fraudulent. There are several other common causes, to include administrative mistakes, recipient self-reporting issues, and policy limitations.

For instance, the Social Security Administration OIG [estimated](#) over \$7 billion in Supplemental Security Income payment errors because SSA did not follow policies or use all available tools to prevent, detect, and recover overpayments. SSA OIG made several recommendations to reduce and collect the overpayments, but the recommendations have not yet been resolved.

The use of technology is critical to the IG community's oversight work, and IGs have significant experience leveraging data analytics and Artificial Intelligence. While these tools do not replace investigative or audit work, they enhance IGs' ability to identify anomalies for further review.

For example, last year, the Treasury Inspector General for Tax Administration leveraged data analytics to help the IRS [prevent \\$3.5 billion](#) of potentially improper Employee Retention Credits and Sick and Family Leave Credits. TIGTA notified IRS officials of the scheme, who then put controls in place to guard against similar fraudulent claims.

OIGs are also using data-driven insights to prioritize and plan work. The Postal Service OIG uses machine-learning tools to analyze millions of Postal Service customer complaints to recognize trends and identify potential mail delivery or theft issues. And the Office of Personnel Management OIG is using machine-learning capabilities to inform which plans the OIG should audit in the Federal Employee Health Benefits Program.

To continue our effective oversight efforts and improve payment integrity, continued access to agency data and sustained resources to support analytics efforts are critical.

The IG community's top legislative priority is the establishment of a permanent, scalable data analytics platform to aid OIGs in detecting and preventing fraud and improper payments in federal spending. In 2021, Congress provided CIGIE's Pandemic Response Accountability Committee, or the PRAC, with the authority and funding to create and operate a data analytics center—the result was the Pandemic Analytics Center for Excellence, or the PACE.

The PACE has proven to be extremely successful in identifying improper payments and fraud in pandemic programs. In one recent case, the PACE helped an OIG develop [risk models to review some 2,400 pension plans](#), which ultimately led to the recovery of over \$165 million in civil settlements. This recovery for taxpayers in just one case far exceeds the \$120 million that Congress appropriated for the PRAC to operate for the past five years.

However, with the PRAC scheduled to sunset on September 30, 2025, the IG community urges Congress to sustain the PRAC and the PACE's data analytics capabilities to support OIG oversight efforts. Just last month, the House Committee on Oversight and Government Reform advanced legislation—the FACT Act—to sustain the PRAC and its capabilities, which we support. We look forward to working with Congress on this important reform and ensure the IG community is equipped to both prevent and detect fraud and improper payments with advanced technology and data analytics.

In conclusion, the federal IG community remains committed to conducting effective program oversight, making recommendations that can improve government efficiency, and leveraging analytics and AI-supported tools in its efforts.

Thank you again for inviting me to testify, and I am happy to answer any questions.