

119TH CONGRESS
2D SESSION

H. RES. 1335

Condemning actors seeking to defraud the United States Government, and expressing the sense of the House of Representatives that government-wide fraud and improper payment prevention reforms will meaningfully improve the financial prosperity of the United States, and that Federal program eligibility should be verified before payment.

IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 2026

Mr. FALLON (for himself, Mr. SESSIONS, Mr. MCGUIRE, and Mr. GOSAR) submitted the following resolution; which was referred to the Committee on Oversight and Government Reform

RESOLUTION

Condemning actors seeking to defraud the United States Government, and expressing the sense of the House of Representatives that governmentwide fraud and improper payment prevention reforms will meaningfully improve the financial prosperity of the United States, and that Federal program eligibility should be verified before payment.

Whereas fraud and improper payments in Federal agency programs is an unsustainable national fiscal emergency;

Whereas the Comptroller General of the United States documented in 2025 that the Federal Government has improperly paid about \$3,000,000,000,000 since 2003

where payments should not have been made or were made incorrectly;

Whereas the measured governmentwide improper payment rate has increased from the prior year, with the Comptroller General of the United States recently reporting that in fiscal year 2025 Federal agencies reported approximately \$186,000,000,000 in estimated improper payments, an increase of about \$24,000,000,000 from fiscal year 2024 documented improper payments;

Whereas the Comptroller General of the United States also estimates that, based on data from 2018 to 2022 the Federal Government loses between \$233,000,000,000 and \$521,000,000,000 annually to fraud across all Federal programs and operations;

Whereas each one of these fraudulently spent tax dollars is taken at the expense of a hard-working American;

Whereas, based on the Comptroller General's estimate of the average annual amount of fraud losses, between \$1,000 to \$3,000 a year represents the average American tax filer's share of the Federal Government's total fraudulent spending;

Whereas fraud and improper payments have long been a concern for Congress, pandemic-era spending programs exposed the vulnerability of Federal agencies to criminals and malicious actors who had not previously targeted United States Government programs;

Whereas, between March 2020 and March 2021, Congress enacted a series of six laws providing over \$4,600,000,000,000 in Federal funds to mitigate the economic and public health impact of the COVID-19 pandemic, with Congress appropriating over

\$2,700,000,000,000 for these purposes in the first four months of the pandemic alone;

Whereas the unprecedented expansion of government programs, changes to program eligibility requirements, an influx of government spending, and lack of commensurate and adequate fraud prevention and financial management capabilities, created a perfect scenario for existing program and payment integrity weaknesses to be exploited;

Whereas, in total, while the true extent of pandemic relief fraud may never be known, the Comptroller General of the United States observes that “hundreds of billions of dollars in potentially fraudulent payments were disbursed”;

Whereas fraud in Federal programs delays and prevents individuals who legitimately need services, as Congress intended in establishing such programs, from receiving them;

Whereas fraud in Federal programs severely undermines the public’s trust in the government causing unquantifiable additional damage to the United States;

Whereas trust has further been eroded as specific fraud schemes have been uncovered through recent congressional, Federal, and local investigations;

Whereas significant fraud risks exist in programs that are federally funded and administered by State, territorial, and local agencies;

Whereas the ongoing investigation by the Committee on Oversight and Government Reform of the House of Representatives of fraud in Minnesota’s social services programs has highlighted real examples of fraud schemes that stole billions of dollars from federally funded pro-

grams, taking advantage of severely lacking State level program integrity and agency oversight functions;

Whereas the ongoing investigation by the Committee on Oversight and Government Reform of the House of Representatives of fraud in California’s federally funded hospice programs, including providers potentially overbilling Medicare and enrolling beneficiaries without their knowledge, raises valid concerns that California lacks sufficient internal controls to detect and prevent fraud and is not conducting proper oversight of these hospice programs;

Whereas the ongoing investigation by the Committee on Oversight and Government Reform of the House of Representatives of fraud in Medicaid personal care services authorized by Home and Community-Based Services (HCBS) waivers, including providers potentially improperly billing Medicaid or billing for services that were never provided, raises valid concerns of significant fraud in HCBS Medicaid waiver programs in Ohio and other States across the country;

Whereas a March 4, 2026, interim report by the Majority staff of the Committee on Oversight and Government Reform of the House of Representatives found that Minnesota Governor Tim Walz and Minnesota Attorney General Keith Ellison “were aware of widespread fraud in federally funded social services programs for years, possessed the legal and procedural authority to stop payments, but repeatedly failed to act”;

Whereas the same March 4, 2026, report found that senior officials in the Governor Walz’s office and Attorney General Ellison’s office were “aware of credible fraud concerns in Minnesota’s social services programs as early as 2019 within the Department of Human Services (DHS)

and by April 2020 within the Department of Education (MDE), despite later public statements by Governor Walz suggesting otherwise”.

Whereas, based on these investigations, the House of Representatives has observed that State agencies have little incentive to ensure that Federal funds are spent efficiently, or appropriately, and frequently prioritize program access over payment integrity;

Whereas, based on these investigations, the House of Representatives has observed that State agencies overly rely on the self-attested compliance and reimbursement claims of providers and service enrollees, leaving these programs highly susceptible to fraud;

Whereas the Comptroller General of the United States has also documented how mechanisms of misrepresentation by criminals and malicious actors, such as document manipulation, false declarations, and creating fictitious entities, leave Federal programs open to significant fraud risk when they rely on recipient self-attestation to determine award eligibility and payment verification;

Whereas, in response to the rampant fraud identified in several States, the Trump administration established the Task Force to Eliminate Fraud through Executive Order 14395 (91 Fed. Reg. 13485; relating to establishing the Task Force to eliminate fraud), issued on March 16, 2026;

Whereas the Task Force to Eliminate Fraud is empowered to coordinate a national strategy to stop fraud, waste, and abuse, as rooted in a proper focus on fraud prevention rather than recovery, a critical shift in approach identified through the ongoing investigations by the Com-

mittee on Oversight and Government Reform of the House of Representatives, subcommittee hearings, and legislation favorably reported to the House of Representatives;

Whereas, in March 2026, Federal prosecutors charged eleven individuals, including two foreign nationals, in a major real estate and loan fraud ring preying on elderly victims in California;

Whereas, between March 25, 2026, and April 15, 2026, the Task Force to Eliminate Fraud suspended nearly 450 California-based hospice and home health providers due to suspected fraud, with estimated fraud exceeding \$600,000,000;

Whereas, in April 2026, the Department of Justice secured a guilty plea from a California-based provider who submitted nearly \$270,000,000 in fraudulent Medicaid claims;

Whereas the Task Force to Eliminate Fraud suspended \$1,400,000,000 in home health and hospice funding nationwide, with 90 percent of the suspended providers failing to contact the Federal Government since payments were suspended;

Whereas the White House Task Force to Eliminate Fraud uncovered \$6,300,000,000 in suspected fraudulent government contracts, resulting in an immediate investigation into nearly 400 businesses;

Whereas, on April 17, 2026, the Department of Justice announced that in the first week since its establishment, the National Fraud Enforcement Division exposed over \$340,000,000 in fraudulent schemes;

Whereas the Department of Justice has also discovered that \$250,000,000 meant for a child nutrition program was instead spent on luxury cars and overseas real estate holdings;

Whereas, between April 26, 2026, and May 13, 2026, the Secretary of Education blocked \$60,000,000 in fraudulent student loan applications following the launch of a risk assessment tool to screen Federal student aid applications for fraud;

Whereas conducting award recipient eligibility determinations and payment verification prior to issuing awards and payments is the primary policy reform needed to address the national fiscal emergency related to fraud and improper payments in Federal agency programs; and

Whereas the House of Representatives in response to such emergency has expedited the drafting and consideration of governmentwide fraud prevention and improper payment reforms: Now, therefore, be it

1 *Resolved*, That the House of Representatives—

2 (1) condemns the fraudulent actions of those
3 seeking to defraud the United States Government;

4 (2) believes governmentwide fraud and im-
5 proper payment prevention legislative and policy re-
6 forms will meaningfully improve the continued finan-
7 cial prosperity of the United States Government and
8 the American taxpayer; and

1 (3) believes Federal program eligibility and
2 spending activities should be verified prior to pay-
3 ments being issued.

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