

119TH CONGRESS  
2D SESSION

# S. 4747

To amend title 31, United States Code, to authorize pausing and segmenting payments, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JUNE 10, 2026

Ms. ERNST introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

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## A BILL

To amend title 31, United States Code, to authorize pausing and segmenting payments, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stopping Fraudulent  
5 Payments Act”.

6 **SEC. 2. AUTHORITY TO PAUSE PAYMENTS FOR FURTHER**  
7 **REVIEW AND CORRECTIVE ACTION.**

8 (a) **TREASURY PAYMENT VOUCHER WAIVER AU-**  
9 **THORITY.—**

1           (1) AMENDMENT.—Subchapter II of chapter 33  
2           of title 31, United States Code, is amended by add-  
3           ing at the end the following:

4   **“§ 3337. Authority to pause payments for further re-**  
5                           **view and corrective action**

6           “(a) AGENCY OBLIGATION TO PAUSE DISBURSE-  
7   MENT REQUESTS FOR CORRECTIVE ACTION.—The head  
8   of an agency shall take a corrective action to temporarily  
9   delay, condition, or segment a disbursement request before  
10  the certification of a payment voucher under section 3325  
11  if, as determined by an official designated by the head of  
12  the agency, the agency—

13           “(1) has sufficient reason to determine that the  
14   payment presents an elevated risk of fraud based on  
15   a fraud-risk indicator or an improper payment re-  
16   sulting in financial loss to the Government as esti-  
17   mated under the requirements of section 3352 in ac-  
18   cordance with the statutorily-defined eligibility re-  
19   quirements or other legally-established condition of  
20   the program for a payee to be eligible to receive pay-  
21   ment;

22           “(2) has sufficient reason to determine, based  
23   on a notification by the relevant State or local gov-  
24   ernment official in the case of a payment from Fed-  
25   eral funds disbursed by a State or local government

1 under a State-administered and federally-funded  
2 program, that the payment presents an elevated risk  
3 of fraud based on a fraud-risk indicator or an im-  
4 proper payment resulting in financial loss to the  
5 Government as estimated under the requirements of  
6 section 3352 in accordance with the statutorily-de-  
7 fined eligibility requirements or other legally-estab-  
8 lished condition of the program for a payee to be eli-  
9 gible to receive payment; or

10 “(3) has been notified of an order from the Sec-  
11 retary of the Treasury described under subsection  
12 (b).

13 “(b) TREASURY OBLIGATION TO RETURN PAYMENT  
14 VOUCHER AND ISSUE CORRECTIVE ACTION ORDER.—Ex-  
15 cept where otherwise required by law, the Secretary shall  
16 promptly notify the relevant certifying official of an order  
17 to return a certified payment voucher submitted to a dis-  
18 bursing official under section 3325 and issue a corrective  
19 action order to the head of an agency not later than 2  
20 days after the Secretary makes a determination that in  
21 accordance with the statutorily-defined eligibility require-  
22 ments or other legally-established condition of the pro-  
23 gram for a payee to be eligible to receive payment that  
24 such payment presents an elevated risk of fraud based on  
25 a fraud-risk indicator or an improper payment resulting

1 in financial loss to the Government based on an output  
2 of the Do Not Pay system under section 3354.

3 “(c) AGENCY DOCUMENTATION AND TIME-LIMITED  
4 CORRECTIVE ACTION.—An action taken by the head of  
5 an agency under subsection (a) shall—

6 “(1) be based on an objective, documented  
7 fraud-risk indicator;

8 “(2) be narrowly applied to the portion of the  
9 payment presenting the elevated risk; and

10 “(3) be limited in duration to the minimum pe-  
11 riod necessary, as determined by the head of the  
12 agency, to verify eligibility of the payee or accuracy  
13 of the payment per any program requirement associ-  
14 ated with the payment or as stipulated under law.

15 “(d) PAYEE NOTIFICATION AND TIME LIMIT OF  
16 PAUSED DISBURSEMENT REQUESTS.—With respect to a  
17 disbursement request that has been delayed, conditioned,  
18 or segmented pursuant to subsection (a) or a payment  
19 voucher that is returned pursuant subsection (b), the head  
20 of the agency shall take the following actions:

21 “(1) Promptly provide to the payee (not later  
22 than 2 days after a determination under subsection  
23 (a) or a notification to the agency under subsection  
24 (b)), as appropriate, and for a case in which the  
25 payment from Federal funds disbursed by a State or

1 local government under a State-administered and  
2 federally-funded program also provides to such rel-  
3 evant State or local government official, a notifica-  
4 tion that—

5 “(A) a disbursement has been temporarily  
6 paused, conditioned, or segmented;

7 “(B) identifies the nature of the fraud-risk  
8 indicator or improper payment relied upon by  
9 the agency to make the corrective action deter-  
10 mination under subsection (a) or notification to  
11 the agency under subsection (b); and

12 “(C) outlines the process for the corrective  
13 action review period.

14 “(2) Use a process tailored to the specific re-  
15 quirements and design of the agency program for a  
16 payee, or the State or local government described  
17 under paragraph (1), to contest any factual inaccu-  
18 racy or provide clarifying information during the  
19 corrective action review period.

20 “(3) Issue such payment not later than 30 days  
21 after a determination to take a corrective action is  
22 made by the head of the agency under subsection (a)  
23 or the agency was notified by the Secretary under  
24 subsection (b) of a corrective action order, but not  
25 later than 7 days after the date on which the payee

1 contests the corrective action under the process es-  
2 tablished pursuant to paragraph (2), if the head of  
3 the agency determines that the payment does not  
4 present an elevated risk of fraud or an improper  
5 payment resulting in financial loss to the Govern-  
6 ment.

7 “(e) SEGMENTATION OF LOW-RISK PAYMENTS.—To  
8 the maximum extent practicable, the head of each agency  
9 shall allow a routine, historically consistent payment  
10 amount to proceed while temporarily holding an anoma-  
11 lous, unusually large, or high-risk portion of a payment,  
12 or class of payments, pending review and resolution of an  
13 agency corrective action determination under subsection  
14 (a) or a corrective action order under subsection (b).

15 “(f) EXEMPTIONS FOR LAW ENFORCEMENT ACTIVI-  
16 TIES.—The head of an agency, in consultation with the  
17 Secretary and the Attorney General, may waive any provi-  
18 sion in this section on a case-by-case basis if notified of  
19 or instructed by a Federal law enforcement authority, in-  
20 cluding an agency Inspector General, that the action will  
21 jeopardize an active criminal investigation or legal pro-  
22 ceeding related to an effort to defraud the Federal Govern-  
23 ment or violate sections 3729 through 3733 of title 31  
24 (commonly known as the ‘False Claims Act’).

1       “(g) LIMITATION OF LIABILITY.—No officer or em-  
2 ployee of the Federal Government shall be personally liable  
3 for an action taken in good faith under this section. An  
4 action taken under this section may not constitute a final  
5 determination of eligibility, liability, or wrongdoing on the  
6 part of a payee.

7       “(h) RULE OF CONSTRUCTION FOR PROGRAM AU-  
8 THORIZING STATUTE.—Nothing in this section may be  
9 construed to supersede any other provision of law with re-  
10 spect to any statute that authorizes the payment or pro-  
11 gram the payment is made under.

12       “(i) REGULATIONS.—Not later than 180 days after  
13 the date of the enactment of this section, and annually  
14 thereafter, the Secretary, in consultation with the Direc-  
15 tor, shall issue regulations and establish procedures to ad-  
16 minister the requirements of this section that shall be pub-  
17 lished in the Federal Register that, at a minimum, specify  
18 the following:

19               “(1) The minimum seniority of an agency offi-  
20 cial designated under subsection (a) authorized to  
21 make a determination to issue a corrective action.

22               “(2) The procedures by which the Secretary of  
23 the Treasury will use the Do Not Pay system under  
24 section 3354 to make a determination under sub-  
25 section (b) in accordance with the statutorily-defined

1 eligibility requirements or other legally-established  
2 condition of a program for a payee to be eligible to  
3 receive payment.

4 “(3) The procedure for an agency to dispute an  
5 order to return a certified payment voucher and ap-  
6 peal a related corrective action order under sub-  
7 section (b) to the Fiscal Assistant Secretary, which  
8 shall at a minimum include a requirement for the  
9 agency to receive a response not later than five days  
10 after making such a dispute or appeal to the De-  
11 partment of the Treasury.

12 “(4) The minimum information requirements of  
13 a notification required under subsection (d)(1).

14 “(j) DEFINITIONS.—In this section:

15 “(1) DIRECTOR.—The term ‘Director’ means  
16 the Director of the Office of Management and Budg-  
17 et.

18 “(2) FRAUD-RISK INDICATOR.—The term  
19 ‘fraud-risk indicator’ means an objective data point  
20 or analytic signal that indicates an anomalous pay-  
21 ment pattern or increase in the volume of a payment  
22 amount, a verified data mismatch, network or behav-  
23 ioral anomaly, or match identified by the Do Not  
24 Pay system under section 3354 and any payment,  
25 account, or payee validation program or service ad-

1 ministered by the Secretary that would result in fi-  
 2 nancial loss to the Government.

3 “(3) ROUTINE, HISTORICALLY CONSISTENT  
 4 PAYMENT AMOUNT.—The term ‘routine, historically  
 5 consistent payment amount’ means a payment  
 6 amount that is consistent with previous payment his-  
 7 tory of the payee, established program use patterns,  
 8 or other objective benchmarks determined by the  
 9 certifying agency.

10 “(4) SECRETARY.—The term ‘Secretary’ means  
 11 the Secretary of the Treasury.”.

12 (2) TECHNICAL AND CONFORMING AMEND-  
 13 MENT.—The table of sections for chapter 33 of title  
 14 31, United States Codes, is amended by inserting  
 15 after the item for section 3336 the following:

“3337. Authority to pause payments for further review and corrective ac-  
 tion.”.

16 (b) REQUIREMENTS AND AUTHORITIES OF PAYMENT  
 17 DISBURSING OFFICIALS.—Paragraph (3) of section  
 18 3325(a) of title 31, United States Code, is amended—

19 (1) by inserting “, compliance with an order to  
 20 pause a payment pursuant to section 3337(b),” after  
 21 “except for the correctness of computations on a  
 22 voucher”; and

23 (2) by striking “,” and inserting a comma.

1 (c) RELIEF OF ACCOUNTABLE OFFICERS.—Section  
2 3527 of title 31, United States Code, is amended—

3 (1) in subsection (a)(2), by inserting after “the  
4 loss or deficiency was not the result of an illegal or  
5 incorrect payment” the following: “, or was made as  
6 a result of a good faith effort to comply with the re-  
7 quirements of section 3337”; and

8 (2) in subsection (b)(1)(A)(ii), by inserting  
9 after “the loss or deficiency was not the result of an  
10 illegal or incorrect payment” the following: “, or was  
11 made as a result of a good faith effort to comply  
12 with the requirements of section 3337”.

13 (d) REQUIREMENTS AND AUTHORITIES OF PAYMENT  
14 CERTIFYING OFFICIALS.—Subsection (a) of section 3528  
15 of title 31, United States Code, is amended—

16 (1) in paragraph (4)(C), by striking “; and”  
17 and inserting a semicolon;

18 (2) in paragraph (5), by striking the period at  
19 the end and inserting “; and”; and

20 (3) by adding at the end the following:

21 “(6) complying with an order to take a correc-  
22 tive action to temporarily delay, condition, or seg-  
23 ment a disbursement request pursuant to section  
24 3337.”.

1 (e) RELIEF OF CERTIFYING OFFICIALS.—Subsection  
2 (b)(1) of section 3528 of title 31, United States Code—

3 (1) in subparagraph (A), by striking “; or” and  
4 inserting a semicolon;

5 (2) in subparagraph (B)(iii), by striking the pe-  
6 riod at the end and inserting “; or”; and

7 (3) by inserting at the end the following new  
8 subparagraph:

9 “(C) the certification was made as a result of  
10 a good faith effort to comply with the requirements  
11 of section 3337.”.

12 (f) REPORT ON RESULTS OF PAYMENTS PAUSED FOR  
13 FURTHER REVIEW AND CORRECTIVE ACTION.—Not later  
14 than 18 months after the date of the enactment of this  
15 Act, and annually thereafter, the Secretary of the Treas-  
16 ury shall submit to the Director of the Office of Manage-  
17 ment and Budget, the Committees on Appropriations of  
18 the Senate and the House of Representatives, the Com-  
19 mittee on Homeland Security and Governmental Affairs  
20 of the Senate, and the Committee on Oversight and Gov-  
21 ernment Reform of the House of Representatives, a report  
22 on the following:

23 (1) The total number of orders to return a cer-  
24 tified payment voucher submitted to a disbursing of-  
25 ficial under section 3325 of title 31, United States

1 Code, and corrective action orders issued to the head  
2 of an agency under the authorities provided by sec-  
3 tion 3337(b) of such title, as added by this section.

4 (2) The percentage of such payments that are  
5 issued by the agency, including by successful con-  
6 testations filed by the recipient or payee with the  
7 agency, and recommendations to mitigate such er-  
8 rors in the fraud-risk indicators of the Department  
9 of the Treasury in the future.

10 (3) The total savings to the Federal Govern-  
11 ment in payments determined to be fraudulent or re-  
12 sult in financial loss to the Government under the  
13 authorities provided by subsections (a) and (b) of  
14 section 3337 of title 31, United States Code, as  
15 added by this section.

16 (4) Any necessary policy, regulatory, or legisla-  
17 tive recommendations related to the authorities and  
18 requirements under section of section 3337 of title  
19 31, United States Code, as added by this section, or  
20 other relevant law.

21 (g) EFFECTIVE DATE.—The amendments made by  
22 this section shall take effect 1 year after the date of the  
23 enactment of this Act.

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