

119TH CONGRESS
2D SESSION

H. R. 8467

AN ACT

To reform the Payment Integrity Information Act of 2019
to ensure executive agencies focus on fraud prevention,
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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Zeroing Out Monetary
3 Benefits Improperly Expended Act” or the “ZOMBIE
4 Act”.

5 **SEC. 2. REFORMS TO PAYMENT INTEGRITY INFORMATION**

6 **ACT OF 2019.**

7 (a) DEFINITIONS.—Section 3351 of title 31, United
8 States Code, is amended—

9 (1) in paragraph (2)—

10 (A) in subparagraph (A)—

11 (i) in clause (i)—

12 (I) by inserting “information on”
13 before “improper payments”;

14 (II) by striking “information
15 with” and inserting “resulting in fi-
16 nancial loss to the Government in the
17 accompanying materials to”; and

18 (III) by striking “and” at the
19 end; and

20 (ii) by inserting after clause (ii) the
21 following new clause:

22 “(iii) published information on im-
23 proper payments resulting in financial loss
24 to the Government with the annual budget
25 justification of the executive agency for the
26 most recent fiscal year;”;

1 (B) by redesignating subparagraphs (B)
2 and (C) as clauses (iv) and (v), respectively
3 (and adjusting the margins accordingly);

4 (C) by redesignating subparagraphs (D)
5 through (F) as subparagraphs (B) through (D),
6 respectively;

7 (D) in subparagraph (A)(iv), as so redesign-
8 nated—

9 (i) by striking “if required, has”; and

10 (ii) by inserting “and” after the semi-
11 colon at the end;

12 (E) in subparagraph (A)(v), as so redesign-
13 nated, by striking “if required, publishes” and
14 inserting “published”;

15 (F) by striking subparagraph (B), as so
16 redesignated; and

17 (G) by redesignating subparagraphs (C)
18 and (D), as so redesignated, as subparagraphs
19 (B) and (C); and

20 (2) by adding at the end the following new
21 paragraph:

22 “(9) FINANCIAL LOSS TO THE GOVERNMENT.—

23 The term ‘financial loss to the Government’—

24 “(A) means any payment or part of a pay-
25 ment made in excess of the correct amount au-

thorized by law that results in a financial loss
to the Federal Government; and

“(B) does not include any payment or part
of a payment made to the correct person or en-
tity for the correct amount authorized by law
but not made in accordance with certain admin-
istrative procedures applicable to the executive
agency (excluding any such procedure necessary
to establish eligibility or to verify that any pay-
ment or part of a payment was made in such
correct amount).”.

(b) ESTIMATES OF IMPROPER PAYMENTS RESULT-
ING IN FINANCIAL LOSS TO THE GOVERNMENT AND RE-
PORTS ON ACTIONS TO REDUCE SUCH PAYMENTS.—Sec-
tion 3352 of title 31, United States Code, is amended—

(1) in the heading—

(A) by inserting “**resulting in finan-
cial loss to the Government**” before
“**and reports**” (and by conforming the item
relating to such section in the table of sections
in chapter 33); and

(B) by striking “**reduce improper
payments**” and inserting “**reduce such
payments**” (and by conforming the item re-

1 lating to such section in the table of sections in
2 chapter 33);

3 (2) in subsection (a)—

4 (A) in paragraph (1)—

5 (i) in subparagraph (A), by striking
6 “periodically review all programs and ac-
7 tivities” and inserting “submit annually a
8 list of each program and activity required
9 to be reported on the Program Inventory
10 under section 1122”; and

11 (ii) in subparagraph (B)—

12 (I) by striking “all programs and
13 activities” and inserting “each pro-
14 gram and activity from each such
15 list”; and

16 (II) by striking “(3)” and insert-
17 ing “(2)”;

18 (B) by striking paragraph (2);

19 (C) by redesignating paragraph (3) as
20 paragraph (2); and

21 (D) in paragraph (2), as so redesignated—

22 (i) in subparagraph (A), by striking
23 “improper payments and payments whose
24 propriety cannot be determined” and in-
25 serting “improper payments resulting in fi-

1 nancial loss to the Government and pay-
2 ments lacking sufficient documentation to
3 determine whether the payments result in
4 financial loss to the Government”;

5 (ii) by redesignating subparagraphs
6 (B) and (C) as subparagraphs (D) and
7 (E), respectively;

8 (iii) by inserting after subparagraph
9 (A) the following new subparagraphs:

10 “(B) DEVELOPMENT OF RISK ASSESSMENT
11 GUIDANCE.—Not later than 1 year after the
12 date of the enactment of this Act, the Secretary
13 of the Treasury shall develop risk assessment
14 guidance to assess the risk of improper pay-
15 ments resulting in financial loss to the Govern-
16 ment that addresses the following:

17 “(i) The likelihood of payment errors
18 and the magnitude of such errors that do
19 not result in financial loss to the Govern-
20 ment.

21 “(ii) The likelihood of payment errors
22 and the magnitude of such errors that do
23 result in financial loss to the Government.

24 “(iii) A formula for estimating finan-
25 cial loss to the Government.

1 “(iv) Relevant governmentwide docu-
2 ments and best practices for managing im-
3 proper payments and mitigating fraud
4 risks in Federal programs, such as the
5 document of the Government Account-
6 ability Office entitled ‘A Framework for
7 Managing Fraud Risks in Federal Pro-
8 grams’ (or any successor document), as ap-
9 plicable and appropriate.

10 “(C) SCOPE.—In preparing a list under
11 paragraph (1)(A), the head of each executive
12 agency shall require, within 6 months after
13 issuing the risk assessment guidance, a risk as-
14 sessment using the guidance developed under
15 subparagraph (B) for each program or activity
16 listed under paragraph (1)(A) for each—

17 “(i) existing programs or activities
18 prior to the next disbursement of Federal
19 funds with respect to the program or activ-
20 ity; and

21 “(ii) newly authorized programs and
22 activities prior to any disbursement of
23 Federal funds with respect to the program
24 or activity.”;

1 (iv) in subparagraph (D), as so redes-
2 ignated—

3 (I) in the heading, by striking
4 “SCOPE” and inserting “REQUIRE-
5 MENTS”;

6 (II) in the matter preceding
7 clause (i)—

8 (aa) by striking “In con-
9 ducting a review under para-
10 graph (1), the head of each exec-
11 utive agency shall” and inserting
12 “Risk assessments are to be con-
13 ducted on an ongoing basis, but
14 no less frequently than once
15 every 3 years, and”; and

16 (bb) by inserting “, includ-
17 ing with respect to fraud in any
18 program or activity listed under
19 paragraph (1)(A) that causes im-
20 proper payments resulting in fi-
21 nancial loss to the Government”
22 before “, such as”;

23 (III) in clause (x), by striking
24 “data systems” and inserting “data
25 assets”; and

1 (IV) in clause (xi)—

2 (aa) by inserting “or im-
3 proper payments” before “as as-
4 sessed”; and

5 (bb) by inserting “, or any
6 successor document” after
7 “(commonly known as the ‘Green
8 Book’)”; and

9 (v) in subparagraph (E), as so redes-
10 ignated—

11 (I) in the heading, by striking
12 “ANNUAL REPORT” and inserting
13 “REPORTS”;

14 (II) in the matter preceding
15 clause (i), by striking “Each executive
16 agency shall publish an annual re-
17 port” and inserting “Not less than
18 once every 3 years, the head of each
19 executive agency shall publish a re-
20 port, which may be included in a re-
21 port required under subsection
22 (b)(2)(F) by such head with respect to
23 a high-priority Federal program or ac-
24 tivity,”;

1 (III) in clause (i), by striking “;
2 and” and inserting a semicolon;

3 (IV) in clause (ii), by striking the
4 period at the end and inserting “;
5 and”; and

6 (V) by adding at the end the fol-
7 lowing new clause:

8 “(iii) a prioritized listing of risks iden-
9 tified in subparagraph (D) associated with
10 each program and activity listed under
11 paragraph (1)(A) and any corresponding
12 financial and administrative control to
13 mitigate any such risk, including the use of
14 the Do Not Pay Initiative (or any suc-
15 cessor system) and any other system or
16 data asset maintained by the Secretary of
17 the Treasury or the Inspector General of
18 the executive agency to prevent fraud or
19 improper payments resulting in financial
20 loss to the Government prior to making an
21 eligibility determination to receive Federal
22 funds with respect to any such program or
23 activity listed under paragraph (1)(A),
24 issuing an award, or requesting a pay-
25 ment.”;

1 (3) in subsection (b)—

2 (A) in the heading, by inserting “THAT
3 RESULT IN FINANCIAL LOSS TO THE GOVERN-
4 MENT” after “IMPROPER PAYMENTS”;

5 (B) in paragraph (1)—

6 (i) in subparagraph (A)—

7 (I) by inserting “and activities”
8 after “high-priority Federal pro-
9 grams”; and

10 (II) by inserting “that result in
11 financial loss” after “improper pay-
12 ments” each place it appears; and

13 (ii) in subparagraph (B), by striking
14 “associated” and inserting “and financial
15 loss associated”; and

16 (C) in paragraph (2)—

17 (i) in the heading, by inserting “THAT
18 RESULT IN FINANCIAL LOSS TO THE GOV-
19 ERNMENT” after “IMPROPER PAYMENTS”;

20 (ii) in subparagraph (A), by striking
21 “shall on an annual basis” and inserting “,
22 not less frequently than once every 3 years,
23 shall”;

24 (iii) in subparagraph (B)—

25 (I) in clause (i)—

1 (aa) in subclause (I)—

2 (AA) by inserting “that
3 result in financial loss to the
4 Government” after “im-
5 proper payments”; and

6 (BB) by striking “;
7 and” and inserting a semi-
8 colon;

9 (bb) in subclause (II), by in-
10 serting “that result in financial
11 loss to the Government, including
12 by making it harder for fraudu-
13 lent actors to exploit the pro-
14 gram” after “improper pay-
15 ments”; and

16 (cc) by adding at the end
17 the following new subclause:

18 “(III) has taken or plans to take
19 to reduce the percentage of improper
20 payments that result in financial loss
21 to the Government;”;

22 (II) by inserting after clause (i)
23 the following new clause:

24 “(ii) shall include—

1 “(I) an estimate of the total
2 amount of the payments that result in
3 financial loss to the Government;

4 “(II) an estimate of the total
5 amount of the payments that do not
6 result in financial loss to the Govern-
7 ment;

8 “(III) the percentage of pay-
9 ments that result in financial loss to
10 the Government;

11 “(IV) an assessment of the por-
12 tion of the total amount of payments
13 that result in financial loss to the
14 Government that are due to fraudu-
15 lent actions by the recipient of such
16 payments;

17 “(V) the total amount of dis-
18 bursed payments; and

19 “(VI) a description of resources
20 or legislative changes proposed to im-
21 prove or maintain the integrity of the
22 relevant program or activity; and”;and

23 (III) by redesignating clause (iii)
24 as clause (ii);

25 (iv) in subparagraph (E)(i)—

1 (I) in subclause (I)—

2 (aa) by striking “improper
3 payment” and inserting “im-
4 proper payments that result in fi-
5 nancial loss”; and

6 (bb) by striking “; and” and
7 inserting a semicolon;

8 (II) in subclause (II), by striking
9 “improper payments” and inserting
10 “improper payments that result in fi-
11 nancial loss”; and

12 (III) by adding at the end the
13 following new subclause:

14 “(III) each statistically valid esti-
15 mate developed under subsection
16 (c)(1)(A) and make a recommendation
17 to the head of the executive agency on
18 whether the agency estimate should be
19 reassessed and reestablished; and”;

20 (v) by amending subparagraph (F) to
21 read as follows:

22 “(F) AGENCY LIAISON DESIGNATION AND
23 MANDATORY COORDINATION MEETINGS.—Not
24 less frequently than once every fiscal year, the
25 head of each executive agency with a high-pri-

1 ority Federal program or activity identified
2 under paragraph (1)(B) shall designate a senior
3 official of the executive agency to serve as the
4 liaison of the executive agency for work under
5 this subchapter who shall meet for a non-audit
6 or investigative purpose with the Director of the
7 Office of Management and Budget (or a des-
8 ignee of the Director), the Commissioner of the
9 Bureau of the Fiscal Service of the Department
10 of the Treasury (or a designee of the Commis-
11 sioner), the Inspector General of the executive
12 agency (or a designee of the Inspector General),
13 and the Pandemic Response Accountability
14 Committee established under section 15010 of
15 the CARES Act (Public Law 116–136; 134
16 Stat. 533) (or any successor organization) to
17 report on any action taken during the preceding
18 fiscal year and any planned action, including
19 any reform to any financial or administrative
20 control, to prevent improper payments (with a
21 focus on improper payments that lead to finan-
22 cial loss to the Government) and mitigate fraud
23 in such program or activity.”; and

24 (vi) by adding at the end the following
25 new subparagraph:

1 “(G) FEDERAL-STATE COORDINATION
2 MEETINGS.—Not less frequently than once
3 every fiscal year, the Director of the Office of
4 Management and Budget and the Secretary of
5 the Treasury shall convene a meeting of State
6 officials responsible for program and payment
7 integrity in programs administered on behalf of
8 the Federal Government by a State or local
9 government to review fraud prevention perform-
10 ance, share best practices, and identify ongoing
11 coordination challenges.”;

12 (4) in subsection (c)—

13 (A) in the heading, by inserting “THAT
14 RESULT IN FINANCIAL LOSS TO THE GOVERN-
15 MENT” after “IMPROPER PAYMENTS”;

16 (B) in paragraph (1)—

17 (i) by amending subparagraph (A) to
18 read as follows:

19 “(A) develop a statistically valid estimate
20 of improper payments that result in financial
21 loss to the Government;”;

22 (ii) by striking subparagraph (B); and

23 (iii) by adding at the end the fol-
24 lowing new subparagraphs:

1 “(B) include such estimate in the annual
2 budget justification of the executive agency; and

3 “(C) revise such estimate if the head of the
4 executive agency determines, which may be
5 based on a recommendation from the Director
6 in consultation with the Secretary of the Treas-
7 ury and the Inspector General of the executive
8 agency, that there is a need to reestablish the
9 estimate of improper payments that result in fi-
10 nancial loss to the Government due to—

11 “(i) a significant change, as deter-
12 mined by the agency head, to the program
13 or activity’s appropriation or authorization;

14 “(ii) newly establishing the program
15 or activity; or

16 “(iii) a recommendation from the
17 agency Inspector General in the annual
18 compliance report issued under section
19 3353(a).”; and

20 (C) in paragraph (2)—

21 (i) in subparagraph (A), by inserting
22 “resulting in financial loss to the Govern-
23 ment” after “improper payment”; and

24 (ii) in subparagraph (B), by striking
25 “improper payments” before “estimate”;

1 (5) in subsection (d)—

2 (A) in the heading—

3 (i) by striking “REDUCE” and insert-
4 ing “REDUCE AND PREVENT”; and

5 (ii) by inserting “THAT RESULT IN
6 FINANCIAL LOSS TO THE GOVERNMENT”
7 after “IMPROPER PAYMENTS”;

8 (B) in the matter preceding paragraph
9 (1)—

10 (i) by inserting “that result in finan-
11 cial loss to the Government” after “esti-
12 mated improper payments”; and

13 (ii) by striking “reduce improper pay-
14 ments” and inserting “reduce and prevent
15 such payments”;

16 (C) in paragraph (1), by inserting “that
17 result in financial loss to the Government (in-
18 cluding actions used to commit fraud)” after
19 “improper payments”;

20 (D) in paragraph (2)—

21 (i) in the matter preceding subpara-
22 graph (A), by inserting “that result in fi-
23 nancial loss to the Government” after “in
24 order to reduce improper payments”;

1 (ii) in subparagraph (B), by striking
2 “; and” and inserting a semicolon at the
3 end;

4 (iii) in subparagraph (C), by inserting
5 “and” after the semicolon; and

6 (iv) by adding at the end the following
7 new subparagraph:

8 “(D) access to appropriate records and
9 data assets, whether maintained by an executive
10 agency, a State or local government, or a pri-
11 vate sector organization;”;

12 (E) in paragraph (4), by inserting “that
13 result in financial loss to the Government” after
14 “improper payments”;

15 (F) in paragraph (5)—

16 (i) by inserting “that result in finan-
17 cial loss to the Government” after “im-
18 proper payments” each place it appears;
19 and

20 (ii) in subparagraph (B)(ii), by strik-
21 ing “; and” and inserting a semicolon at
22 the end;

23 (G) by amending paragraph (6) to read as
24 follows:

1 “(6) a description of how the level of planned
2 or completed actions by the executive agency to ad-
3 dress the causes of the improper payments that re-
4 sult in financial loss to the Government matched the
5 level of improper payments that resulted in financial
6 loss to the Government, including a breakdown by
7 category of such improper payments and specific
8 timelines for completion of those actions; and”;

9 (H) by adding at the end the following new
10 paragraph:

11 “(7) information on the progress of the execu-
12 tive agency with respect to—

13 “(A) implementing the financial and ad-
14 ministrative controls required to be established
15 under subsection (a)(2)(E)(iii);

16 “(B) implementing relevant government-
17 wide documents and best practices for man-
18 aging improper payments and mitigating fraud
19 risks in Federal programs, such as the docu-
20 ment of the Government Accountability Office
21 entitled ‘A Framework for Managing Fraud
22 Risks in Federal Programs’ (or any successor
23 document), as applicable and appropriate, in-
24 cluding with respect to the identification of—

1 “(i) any dedicated entity that leads
2 the fraud risk management activity of the
3 executive agency;

4 “(ii) responsibilities of such entity, in-
5 cluding any program or operation for
6 which the entity is responsible;

7 “(iii) capacity, including any limita-
8 tions, to strategically manage fraud risks;

9 “(iv) any program or operation within
10 the executive agency for which there is not
11 a dedicated entity that leads fraud risk
12 management, along with a detailed jus-
13 tification for not having such a dedicated
14 entity; and

15 “(v) the status of implementing the
16 overarching concepts with associated lead-
17 ing practices identified in such document
18 entitled ‘A Framework for Managing
19 Fraud Risks in Federal Programs’ (or any
20 such successor document), as applicable
21 and appropriate;

22 “(C) implementing the Office of Manage-
23 ment and Budget Circular A–123, or any suc-
24 cessor policy, with respect to leading practices

1 for managing fraud and improper payments
2 risk;

3 “(D) identifying fraud risks and
4 vulnerabilities, including but not limited to pay-
5 roll, beneficiary payments, grants, large con-
6 tracts, and purchase and travel cards; and

7 “(E) establishing strategies, procedures,
8 and other steps to prevent, detect, and respond
9 to fraud.”;

10 (6) in subsection (e)—

11 (A) in the matter preceding paragraph
12 (1)—

13 (i) by inserting “that result in finan-
14 cial loss to the Government,” after “With
15 respect to improper payments”; and

16 (ii) by striking “the improper pay-
17 ments” and inserting “such payments”;

18 (B) in paragraph (1), by inserting “that
19 result in financial loss to the Government” after
20 “improper payments”; and

21 (C) in paragraph (2), by inserting “that
22 result in financial loss to the Government,”
23 after “improper payments”;

24 (7) in subsection (f)—

25 (A) in paragraph (1)—

1 (i) in the matter preceding subpara-
2 graph (A)—

3 (I) by inserting “that result in fi-
4 nancial loss to the Government” after
5 “regarding improper payments”; and

6 (II) by inserting “such” after
7 “recover”;

8 (ii) in subparagraph (B)—

9 (I) by inserting “Government”
10 before “Reform”; and

11 (II) by striking “and” at the end;

12 (iii) by inserting after subparagraph
13 (B) the following new subparagraphs:

14 “(C) the Committee on the Budget of the
15 Senate;

16 “(D) the Committee on the Budget of the
17 House of Representatives;

18 “(E) the Committee on Appropriations of
19 the Senate;

20 “(F) the Committee on Appropriations of
21 the House of Representatives; and”; and

22 (iv) by redesignating subparagraph
23 (C) as subparagraph (G); and
24 (B) in paragraph (2)—

1 (i) in subparagraph (A), by inserting
 2 “that result in financial loss to the Govern-
 3 ment” after “improper payments”;

4 (ii) in subparagraph (C), by inserting
 5 “that result in financial loss to the Govern-
 6 ment” after “improper payment”;

7 (iii) in subparagraph (D), by inserting
 8 “that result in financial loss to the Govern-
 9 ment” after “improper payments”; and

10 (iv) in subparagraph (E), by inserting
 11 “that result in financial loss to the Govern-
 12 ment” after “improper payment”;

13 (8) in subsection (g)—

14 (A) in paragraph (1), by inserting “and
 15 periodically thereafter,” after “Not later than 1
 16 year after the date of enactment of this sec-
 17 tion,”; and

18 (B) in paragraph (2)(B), by striking “pre-
 19 payment and postpayment” and inserting “pre-
 20 award, pre-payment, and post-payment”; and

21 (9) in subsection (i)(2)—

22 (A) in subparagraph (C), by striking “25”
 23 and inserting “10”; and

24 (B) in subparagraph (D), by striking “25”
 25 and inserting “75”.

1 **SEC. 3. REFORMS TO ANNUAL COMPLIANCE REPORT BY IN-**
2 **SPECTORS GENERAL OF EXECUTIVE AGEN-**
3 **CIES.**

4 (a) OMB GUIDANCE.—Section 3353(a)(3) of title 31,
5 United States Code, is amended—

6 (1) in the matter preceding subparagraph (A)—

7 (A) by striking “date of enactment of this
8 section” and inserting “date of the enactment
9 of the amendments made to this section by the
10 ‘Zeroing Out Monetary Benefits Improperly Ex-
11 pended Act’ or the ‘ZOMBIE Act’ ”; and

12 (B) by striking “shall develop and promul-
13 gate guidance” and inserting “shall revise exist-
14 ing guidance issued under this section”;

15 (2) in subparagraph (B)—

16 (A) by striking “improper payment esti-
17 mates methodology” and inserting “estimation
18 methodologies”; and

19 (B) by inserting “that result in financial
20 loss to the Government” after “improper pay-
21 ments”;

22 (3) in subparagraph (C), by inserting “that re-
23 sult in financial loss to the Government” after “im-
24 proper payments”;

(4) in subparagraph (D), by inserting “that result in financial loss to the Government” after “improper payments”; and

(5) in subparagraph (E)—

(A) by striking “Inspectors General include” and inserting “Inspectors General shall include”; and

(B) by inserting “that result in financial loss to the Government” after “improper payments”.

(b) CIGIE GUIDANCE.—Section 3353(a)(4) of title 31, United States Code, is amended—

(1) in the matter preceding subparagraph (A)—

(A) by striking “date of enactment of this section” and inserting “date of the enactment of the amendments made to this section by the ‘Zeroing Out Monetary Benefits Improperly Expended Act’ or the ‘ZOMBIE Act’ ”; and

(B) by striking “develop and promulgate guidance” and inserting “revise existing guidance issued under this section”;

(2) in subparagraph (B)—

(A) in clause (i)—

- 1 (i) by striking “section 3351(2)(B)”
2 and inserting “section 3351(2)(A)(iv)”;
3 and
4 (ii) by inserting “that result in finan-
5 cial loss to the Government” after “im-
6 proper payments” each place it appears;
7 (B) in clause (ii), by striking “section
8 3351(2)(C)” and inserting “section
9 3351(2)(A)(v)”;
10 (C) by striking clause (iii);
11 (D) by redesignating clauses (iv) through
12 (vi) as clauses (iii) through (v), respectively;
13 (E) in clause (iii), as so redesignated, by
14 inserting “that result in financial loss to the
15 Government” after “improper payments”; and
16 (F) in clause (iv), as so redesignated, by
17 inserting “that result in financial loss to the
18 Government” after “improper payments”.

Passed the House of Representatives June 10, 2026.

Attest:

Clerk.

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2^D SESSION

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