

Calendar No. 156

114TH CONGRESS }
1st Session }

SENATE

{ REPORT
114-86

FEDERAL IMPROPER PAYMENTS ACT

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 614

TO PROVIDE ACCESS TO AND USE OF INFORMATION BY FEDERAL
AGENCIES IN ORDER TO REDUCE IMPROPER PAYMENTS, AND FOR
OTHER PURPOSES



JULY 21, 2015.—Ordered to be printed

U.S. GOVERNMENT PUBLISHING OFFICE

49-010

WASHINGTON : 2015

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JULY 21, 2015.—Ordered to be printed

Mr. JOHNSON, from the Committee on Homeland Security and
Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 614]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 614) to provide access to and use of information by Federal agencies in order to reduce improper payments, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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I. PURPOSE AND SUMMARY

S. 614 seeks to reduce improper payments made by federal agencies, which are payments that the government makes in erroneous amounts, or payments that should not be made at all. The bill would improve the sharing and use of key data to combat improper payments, and would encourage the use of data analytics by federal agencies for government-wide waste and fraud reviews.

II. BACKGROUND AND THE NEED FOR LEGISLATION

This Committee has long been concerned with the federal government's persistent improper payment problem—that is, executive branch agencies' too common mistake of sending money to people

or companies, whether for benefits or under contracts, either in an incorrect amount or when no money should be paid to the recipient at all. Improper payments include remittances to ineligible recipients, duplicate payments, payments for a good or service not received, payments that do not reflect credits for applicable discounts, and in some cases payments to the deceased.¹ Improper payments by federal agencies impose a significant cost on taxpayers, with the United States Treasury losing tens of billions of dollars annually to overpayments, including, at times, fraudulent payments to government contractors, program beneficiaries, and others. For fiscal year (FY) 2014, for example, federal agencies reported an estimated total of \$124.7 billion in improper payments, an increase of \$19 billion from the prior fiscal year.²

Errors in carrying out federal health care entitlements are the largest contributor to improper payments.³ Medicare, Medicaid, and the Children’s Health Insurance Program account for approximately \$78 billion in improper payments in 2014.⁴ The expansion of Medicaid under the Affordable Care Act and the increased utilization of the Medicare programs due to an aging population will result in increased spending on these programs in future years.⁵ Indeed, Medicaid spending is expected to increase from \$270 billion in 2014 to \$529 billion in 2025.⁶ During that same period, Medicare spending is expected to grow from \$600 billion to nearly \$1.2 trillion.⁷

As spending on Medicare and Medicaid continues to grow—nearly doubling over ten years—it is imperative that the rate of improper payments is brought under control and dramatically reduced. If the improper payment rates for these two programs remain the same, by 2025 just these two programs could account for \$150 billion in improper payments based on the projected outlays.

For over a decade, a series of laws have attempted to identify, prevent, and recover improper payments.⁸

Improper Payments Information Act of 2002 (IPIA).⁹ Agencies began to deal comprehensively with improper payments following the enactment of IPIA, which required each agency subject to the requirements of the Chief Financial Officers Act of 1990¹⁰ to annually review all programs and activities that it administers, identify those that may be susceptible to significant improper payments, develop improper payments estimates for those programs deemed susceptible, and report the estimates annually.

¹ Congressional Research Service (CRS), *Improper Payments and Recovery Audits: Legislation, Implementation, and Analysis*, R42878, 1 (Jan. 2, 2013).

² Pursuant to an executive order, the Secretary of the Treasury in consultation with the Attorney General and the Office of Management and Budget (OMB) maintains a website on improper payments reporting at <http://www.paymentaccuracy.gov/>.

³ *Id.*

⁴ *Id.*

⁵ Centers for Medicare and Medicaid Services, *National Health Expenditure Projections 2013–2023*, <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/Proj2013.pdf>.

⁶ Congressional Budget Office (CBO), *Medicaid Baseline Projections*. (Mar. 09, 2015), <https://www.cbo.gov/sites/default/files/cbofiles/attachments/44204-2015-03-Medicaid.pdf>.

⁷ Congressional Budget Office, *Medicare Baseline Projections*, (Mar. 09, 2015).

⁸ CRS, *Improper Payments and Recovery Audits: Legislation, Implementation, and Analysis*, R42878, 1 (Jan. 2, 2013).

⁹ Pub. L. No. 107–300, 116 Stat. 2350, 31 U.S.C. § 3321 note (2002).

¹⁰ The list of the 24 agencies covered by this mandate is found at 31 U.S.C. § 901(b)(1)(2004).

Improper Payments Elimination and Recovery Act of 2010 (IPERA).¹¹ In July 2010, Congress passed, and the President signed, IPERA to enhance the reporting and reduction of improper payments. IPERA amended IPIA by expanding on the previous requirements for identifying, estimating, and reporting on programs and activities susceptible to significant improper payments and expanding requirements for recovering overpayments across a broad range of federal programs. IPERA:

- Added a requirement that any program with estimated improper payments exceeding specific dollar amounts and error rate thresholds set out in the law must report on the actions the agency is taking to reduce improper payments;
- Imposed a new requirement for agencies to conduct audits to recover improper payments, where cost effective, for each program and activity with at least one million dollars in annual program outlays;
- Established incentives and budgetary penalties for programs that fail to comply with the requirements of the law over a reasonable number of years; and
- Required each federal agency’s inspector general to determine annually whether his or her agency is in compliance with certain IPERA requirements and to report on that determination.

IPERA Improvement Act of 2012 (the “Improvement Act”).¹² Building on the previously enacted legislation, the Improvement Act required agencies to take additional steps to curb improper payments. Specifically, the Improvement Act:

- Expanded requirements for agencies to estimate improper payments, forcing agencies to improve previously weak efforts at estimating such payments. For example, the Act prevents agencies from relying only on voluntary disclosure of improper payments by contractors and requires agencies to produce documentation to prove a payment was correct.
- Codified the government-wide Do Not Pay program (previously established through a 2010 White House memorandum) that requires agencies to check against a central, comprehensive database of entities ineligible to receive federal funds before making payments, including the Social Security Administration’s (SSA) Death Master File (DMF) and the other databases specified in the White House memorandum.¹³ The law also addressed some of the challenges encountered by the Administration as it attempted to implement its Do Not Pay

¹¹ Pub. L. No. 111–204, 124 Stat. 2224 (2010).

¹² Pub. L. No. 112–248, 126 Stat. 2390, 31 U.S.C. § 3321 note (2013).

¹³ *Memorandum on Enhancing Payment Accuracy Through a “Do Not Pay List.”* (June 18, 2010). <http://www.whitehouse.gov/the-press-office/presidential-memorandum-enhancing-payment-accuracy-through-a-do-not-pay-list>. The Do Not Pay list was established to allow screening against the following databases: the SSA DMF, which lists all deaths reported to the agency since 1936; the General Services Administration’s *Excluded Parties List System*, which lists entities debarred from receiving federal contracts; the Department of the Treasury’s *Debt Check Database*, which contains information on individuals who owe delinquent child support or non-tax debt that might exclude them from certain federal loans, loan insurance, or loan guarantees; the Department of Housing and Urban Development’s (HUD) *Credit Alert Verification Reporting System*, which provides information on individuals who are in default or have had claims paid on direct or guaranteed federal loans, or are delinquent on other debts owed to federal agencies; and the Department of Health and Human Services’ Office of Inspector General’s (HHS–OIG) *List of Excluded Individuals/Entities*, which identifies those barred from federally-funded health care programs.

program, such as the need for multilateral data sharing agreements among agencies.

- Required that the Office of Management and Budget (OMB), within 120 days of enactment, issue a plan for curbing improper payments to deceased individuals.

The creation of the Do Not Pay list and these legislative efforts have resulted in an increased focus across the government in preventing, identifying, and reducing improper payments. Total improper payments made by the federal government dropped from \$120.6 billion in FY 2010 to \$106 billion in FY 2013.¹⁴

However, as noted above, improper payments in FY 2014 rose to nearly \$125 billion. That increase is attributed to increased error rates in three major programs: Medicare Fee-for-Service, Medicaid programs, and the Earned Income Tax Credit. These three programs accounted for approximately 65 percent of total government-wide improper payments for FY 2014.¹⁵ As outlays continue to increase, the growth in improper payments will also increase unless action is taken. Clearly, additional efforts are needed to return to a downward trajectory in improper payments.

During the 113th Congress, the Committee held a hearing to examine the implementation of IPERA and the IPERA Improvement Act, and to explore potential next steps for similar initiatives, such as improving the sharing and accuracy of data to prevent improper payments to dead people. At the hearing, Daniel I. Werfel, Controller, OMB's Office of Federal Financial Management, highlighted federal efforts to prevent improper payments. Both his testimony and that of Richard L. Gregg, Fiscal Assistant Secretary at the Department of the Treasury, provided an update on the progress made in implementing the Do Not Pay initiative, acknowledging that there was much to be done to ensure that the initiative provided a comprehensive solution to payment integrity.¹⁶ Patrick P. O'Carroll, Jr., SSA Inspector General and Daniel Bertoni, a Government Accountability Office Director for Education, Welfare, and Income Security, and Marianna LaCanfora, the SSA Acting Deputy Commissioner for Retirement and Disability Policy, also gave testimony.

On February 11, 2015, GAO Comptroller General Gene Dodaro testified before the Committee regarding the release of GAO's bi-annual "High Risk" list of government programs most at risk of waste, fraud, or abuse. The testimony and deliberations of this hearing included discussions of the level of federal improper payments, as well as causes and potential solutions.¹⁷

The Committee has continued to examine this issue following consideration of S. 614. On March 16, 2015, the Committee held a hearing titled "Examining Federal Improper Payments and Errors

¹⁴Payment Accuracy, *Government-wide Improper Payments Targets*, <http://www.paymentaccuracy.gov/>.

¹⁵Testimony of Beryl Davis, Government Accountability Office before the Committee on Homeland Security and Governmental Affairs, "Examining Federal Improper Payments and Errors in the Death Master File," Mar. 16, 2015.

¹⁶"*Curbing Federal Agency Waste and Fraud: New Steps to Strengthen the Integrity of Federal Payments*," Hearing Before the Committee on Homeland Security and Governmental Affairs, 113th Cong. (2013), <http://www.hsgac.senate.gov/hearings/curbing-federal-agency-waste-and-fraud-new-steps-to-strengthen-the-integrity-of-federal-payments>.

¹⁷"*Risky Business: Examining GAO's 2015 List of High Risk Government Programs*," Hearing Before the Committee on Homeland Security and Governmental Affairs, 114th Cong. (2015). <http://www.hsgac.senate.gov/hearings/risky-business-examining-gaos-2015-list-of-high-risk-government-programs>.

in the Death Master File” which examined the \$19 billion increase in improper payments in 2015.¹⁸ The hearing also uncovered problems with the DMF, the key database used by agencies to screen payments in an effort to prevent improper payments to the deceased.

On March 17, 2015, Committee Chairman Ron Johnson wrote to the Department of Health and Human Services, requesting information regarding, as stated by the letter, improper payments of advanced premium assistance tax credits and cost-sharing subsidies under the Affordable Care Act to 200,000 individuals who were not eligible to receive them because they did not verify legal residency in the United States.¹⁹ On May 21, 2015, the Chairman also sent a letter to the Internal Revenue Service, the agency responsible for recovering those improper payments.²⁰ The Chairman estimates that the loss to taxpayers could be as high as \$400 million and neither agency has responded that they have a plan to recoup these payments. IPERA, as noted above, requires agencies to establish a plan for the identification, prevention, and recoupment of improper payments when doing so would result in a recovery of overpayments greater than the administrative cost of pursuing such recovery.

S. 614, the Improper Payments Coordination Act, reflects lessons learned through the Committee’s hearings, as well as the Committee’s other ongoing oversight of federal agency improper payments, which includes reviews of annual agency reports on improper payments as well as extensive discussions with agency inspectors general regarding their body of work related to improper payments.

S. 614 takes additional key steps to address improper payments made by government agencies. The legislation extends access to the Do Not Pay initiative to the judicial and legislative branches of the federal government, as well as the state government agencies that manage federal funds, to expand use of this tool to prevent improper payments. The legislation also requires the Department of State and Department of Defense to report death data to other agencies to prevent improper payments to deceased individuals. Additionally, the bill improves the Do Not Pay initiative by requiring OMB to issue guidance clarifying rules and procedures for agencies to share information.

Finally, the legislation seeks to expand and improve the use of data analytics by federal agencies for federal-wide waste and fraud reviews. As part of the Do Not Pay initiative, the Department of Treasury established a center within the Department to identify payments that are improper or potentially fraudulent. This analysis involves payments across a wide range of federal agencies and programs. However, the roles and responsibilities of the analysis center are not well-defined. For example, the center’s interaction with similar efforts by federal agency inspectors general is not yet defined, and there is no timetable for the continuing development

¹⁸“*Examining Federal Improper Payments and Errors in the Death Master File*,” Hearing Before the Committee on Homeland Security and Governmental Affairs, 113th Cong. (2013). <http://www.hsgac.senate.gov/hearings/examining-federal-improper-payments-and-errors-in-the-death-master-file>.

¹⁹Letter from Chairman Ron Johnson, S. Comm. On Homeland Security & Governmental Affairs, to Sylvia Burwell, Secretary of the Department of Health and Human Services (Mar. 17, 2015).

²⁰Letter from Chairman Ron Johnson, S. Comm. On Homeland Security & Governmental Affairs, to John Koskinen, Commissioner of the Internal Revenue Service (May 21, 2015).

of the center. Therefore, the bill requires the Secretary of the Treasury to prepare a report describing data analytics performed, the metrics used in determining whether these analytics help reduce improper payments, and target dates for implementing the data analytics operations performed as part of the Do Not Pay initiative.

III. LEGISLATIVE HISTORY

Ranking Member Carper and Chairman Johnson introduced S. 614 on February 7, 2015 and the bill was referred to the Committee.

The Committee considered S. 614 at a business meeting on March 4, 2015. The Committee ordered the bill reported favorably by voice vote en bloc. Members present for the vote on the bill were Senators Johnson, Portman, Lankford, Ayotte, Ernst, Carper, McCaskill, Baldwin, Heitkamp, and Peters.

IV. SECTION-BY-SECTION ANALYSIS OF THE BILL, AS REPORTED

Section 1—Short title

This section establishes the bill's title as the "Improper Payments Coordination Act of 2015."

Section 2—Availability of the Do Not Pay Initiative to the Judicial and Legislative Branches and States

This section amends Section 5 of the Improper Payments Elimination and Recovery Improvement Act of 2012 to expand the Do Not Pay initiative from use by just Executive branch agencies, to also allow use of the Do Not Pay Program by the Judicial and Legislative Branches, as well as state government agencies that manage federal programs.

Section 3—Improving the sharing and use of data by Government agencies to curb improper payments

This section amends Section 5 of the Improper Payments Elimination and Recovery Improvement Act of 2012 to:

(1) Replace the use of the words "Death Master File" with "death records." This is a technical correction.

(2) Improve the sharing of information regarding overseas deaths. Currently, there are no clear procedures for agencies such as the Department of Defense and Department of State to share their notices of overseas deaths of United States citizens (as opposed to deaths that occur within the United States) to update federal agency lists of deceased individuals. These lists are used to ensure that beneficiaries, retirees, and others do not receive improper payments when deceased. The section requires OMB to provide guidance that the two agencies should share notices of overseas deaths.

(3) Provide guidance for agencies to share data with the Do Not Pay program. Currently, six key databases are required by law to be included in the Do Not Pay program. However, some agencies have been slow to share key data, often due to a lack of clarity on rules and procedures. This section requires OMB to provide guidance addressing this problem.

Section 4—Data analytics

The Department of Treasury has an analysis center to help federal agencies identify and prevent improper payments. This section amends Section 5 of the IPERA Improvement Act of 2012 (31 U.S.C. § 3321 note) by adding subparagraph (h). Subparagraph (h) requires the Secretary of the Treasury to submit a report to Congress describing how the Do Not Pay Initiative data analytics center incorporates: (1) comparisons of payment and beneficiary enrollment lists for state programs that use federal funds to identify improper payments; (2) reviews of payments across federal programs to identify payment duplication; and (3) reviews of other information determined to be effective. The report, due within 180 days after enactment, must also describe the metrics used to determine if the analytic and investigatory efforts have helped reduce improper payments.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill and determined that the bill will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office's statement that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

JUNE 18, 2015.

Hon. RON JOHNSON, *Chairman,*
Committee on Homeland Security and Governmental Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 614, the Federal Improper Payments Coordination Act of 2015.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

KEITH HALL.

Enclosure.

S. 614—Federal Improper Payments Coordination Act of 2015

S. 614 would amend federal law with an aim to reduce improper payments made by the federal government. Improper payments occur when funds are paid to the wrong recipient, the recipient receives the incorrect amount of funds, documentation is not available to support a payment, or the recipient uses funds in an improper manner.¹ Specifically, the legislation would authorize the judicial and legislative branches, as well as state government agen-

¹A fraudulent payment (the intentional misuse of funds) may be related to an improper payment, but they are not necessarily the same. Efforts to curtail improper payments do not exclusively target fraud prevention. For additional information see: Congressional Budget Office: *How Initiatives to Reduce Fraud in Federal Health Care Programs Affect the Budget* (October 2014).

cies that manage federal programs, to use the Treasury Department's Do Not Pay (DNP) Program. (Agencies use that program to check various databases before making payments or contract awards in order to identify ineligible recipients and to prevent other payment errors.) S. 614 also would direct the Secretaries of State and Defense to improve the accuracy of their payment systems by sharing information relating to the deaths of individuals. Finally, the Secretary of the Treasury would be required to submit a report to the Congress on efforts to reduce improper payments.

The Office of Management and Budget (OMB) reports that about \$125 billion in improper payments were made by the federal government in 2014, which represented about 4 percent of the \$3 trillion in government-wide spending that year. Although implementing the bill would probably result in fewer improper payments, any subsequent budgetary savings would not be significant for several reasons:

- Most improper payments result from incomplete documentation related to the payment and correcting that documentation usually does not alter the amount of the payment;
- Over 80 percent of improper payments stem from the larger federal entitlement programs such as Medicare, Medicaid, Unemployment Insurance, and Supplemental Security Income. The bill would not provide any new authorities to help those programs reduce improper payments;
- The judicial and legislative branches of the government can already access the DNP program under current law, according to Treasury Department officials;
- Spending by those branches represents less than 1 percent of total federal spending and most of it is for salaries and expenses. Such spending generally does not result in large numbers of improper payments;
- State and local governments already use databases similar to the DNP to detect improper payments.

In fact, no measures used by OMB or evidence from the Government Accountability Office (GAO) indicate that focusing on correcting improper payments would lead to a significant reduction in federal spending.

Because enacting the bill could affect direct spending for federal entitlement programs, pay-as-you-go procedures apply. However, CBO estimates that any change in direct spending would not be significant for the reasons stated above. We also estimate that implementing S. 614 would not result in significant additional administrative costs for the Departments of Defense, State, and the Treasury.

S. 614 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by Theresa Gullo, Assistant Director for Budget Analysis.

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by S. 614 as reported are shown as follows (existing law proposed to be omitted

is enclosed in brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

TITLE 31—MONEY AND FINANCE

* * * * *

Section. 3321. Disbursing authority in the executive branch

* * * * *

Improper Payments Elimination and Recovery Improvement

* * * * *

SEC. 5. DO NOT PAY INITIATIVE

(a)

(1) * * *

(2)

[(A) The Death Master File of the Social Security Administration.] *(A) The death records maintained by the Commissioner of Social Security.*

(b)

(1) * * *

(2) * * *

(3) **ACCESS AND REVIEW [BY AGENCIES].**—For purposes of identifying and preventing improper payments, each agency shall have access to, and use of, the Do Not Pay Initiative to verify payment or award eligibility in accordance with subsection (a) when the Director of the Office of Management and Budget determines the Do Not Pay Initiative is appropriately established for the agency. *States and any contractor, subcontractor, or agent of a State, and the judicial and legislative branches of the United States (as defined in paragraphs (2) and (3), respectively, of section 202(e) of title 18, United States Code), shall have access to, and use of, the Do Not Pay Initiative to verify payment or award eligibility for payments (as defined in section (2)(g)(3) of the Improper Payments Information Act of 2002, 31 U.S.C. 3321 note) when, with respect to a State, the Director of the Office of Management and Budget determines that the Do Not Pay Initiative is appropriately established for that State and any contractor, subcontractor, or agent of the State, and, with respect to the judicial and legislative branches of the United States, when the Director of the Office of Management and Budget determines that the Do Not Pay Initiative is appropriately established for the judicial branch or the legislative branch, as applicable.*

(c) * * *

(d)

(1) * * *

(2)

(A) * * *

(B) shall include not less than 3 agencies as users of the system; **[and]**

(C) shall include investigation activities for fraud and systemic improper payments detection through analytic

technologies and other techniques, which may include commercial database use or access[.]; and

(D) may include States and their quasi-government entities, and the judicial and legislative branches of the United States (as defined in paragraphs (2) and (3), respectively, of section 202(e) of title 18, United States Code) as users of the system in accordance with subsection (b)(3).

* * * * *

(h) **REPORT ON IMPROPER PAYMENTS DATA ANALYSIS.**—Not later than 180 days after the date of enactment of the Federal Improper Payments Coordination Act of 2015, the Secretary of the Treasury shall submit to Congress a report which shall include a description of—

(1) data analytics performed as part of the Do Not Pay Initiative for the purpose of detecting, preventing, and recovering improper payments through pre-award, post-award pre-payment, and post-payment analysis, which shall include a description of any analysis or investigations incorporating—

(A) review and data matching of payments and beneficiary enrollment lists of State programs carried out using Federal funds for the purposes of identifying eligibility duplication, residency ineligibility, duplicate payments, or other potential improper payment issues;

(B) review of multiple Federal agencies and programs for which comparison of data could show payment duplication; and

(C) review of other information the Secretary of the Treasury determines could prove effective for identifying, preventing, or recovering improper payments, which may include investigation or review of information from multiple Federal agencies or programs;

(2) the metrics used in determining whether the analytic and investigatory efforts have reduced, or contributed to the reduction of, improper payments or improper awards; and

(3) the target dates for implementing the data analytics operations performed as part of the Do Not Pay Initiative.

SEC. 6. * * *

SEC. 7. IMPROVING THE USE OF DATA BY GOVERNMENT AGENCIES FOR CURBING IMPROPER PAYMENTS.

(a) **PROMPT REPORTING OF DEATH INFORMATION BY THE DEPARTMENT OF STATE AND THE DEPARTMENT OF DEFENSE.**—Not later than 1 year after the date of enactment of this section, the Secretary of State and the Secretary of Defense shall establish a procedure under which each Secretary shall, promptly and on a regular basis, submit information relating to the deaths of individuals to each agency for which the Director of the Office of Management and Budget determines receiving and using such information would be relevant and necessary.

(b) **GUIDANCE TO AGENCIES REGARDING DATA ACCESS AND USE FOR IMPROPER PAYMENTS PURPOSES.**—

(1) **IN GENERAL.**—Not later than 6 months after the date of enactment of this section, and in consultation with the Council of Inspectors General on Integrity and Efficiency, the heads of other relevant Federal, State, and local agencies, and Indian

tribes and tribal organizations, the Director of the Office of Management and Budget shall issue guidance regarding implementation of the Do Not Pay Initiative under section 5 to—

(A) the Department of the Treasury; and

(B) each agency or component of an agency—

(i) that operates or maintains a database of information described in section 5(a)(2); or

(ii) for which the Director determines improved data matching would be relevant, necessary, or beneficial.

(2) REQUIREMENTS.—The guidance issued under paragraph (1) shall—

(A) address the implementation of subsection (a); and

(B) include the establishment of deadlines for access to and use of the databases described in section 5(a)(2) under the Do Not Pay Initiative.

