

## **FACT SHEET: President Biden’s Sweeping Proposals to Crack Down on Pandemic Fraud and Help Victims Recover Introduced in Congress**

*Major New Legislation Introduced by Senators Peters and Durbin Includes Key White House Proposals to Address Systemic Pandemic Fraud and Prevent Future Schemes*

Today, Senate Homeland Security & Governmental Affairs Committee Chairman Gary Peters and Senate Judiciary Committee Chair Dick Durbin are introducing major new legislation, the Fraud Prevention and Recovery Act—modeled on President Biden’s [Sweeping Pandemic Anti-Fraud Proposal](#) highlighted in the [Fiscal Year \(FY\) 2025 Budget](#)—to crack down on systemic pandemic fraud across government programs and help victims of identity theft recover.

The COVID-19 pandemic and the corresponding economic crisis devastated families, workers and businesses nationwide. Past underinvestment in basic government technology and the crush of demand during the pandemic combined with ill-considered decisions to take down basic fraud controls at the onset of the pandemic led to a significant degree of fraud and identity theft of emergency benefits. While millions of Americans scraped by, bad actors exploited this national emergency, siphoning taxpayer-funded resources from small businesses and struggling families when they needed them most. This systemic fraud particularly impacted the small business programs and the new and expanded unemployment benefits that originated in early 2020.

Fortunately, President Biden’s American Rescue Plan led to a historic recovery across the country, with 15 million jobs created and the longest streak of sub-4% unemployment in more than 50 years. While this critical legislation and the initial pandemic legislation in 2020 were essential to mitigating the health and economic impacts of this unprecedented pandemic, the President has continued to call for further action to punish those who engaged in major and systemic fraud against the American people at the onset of the pandemic, to put in place stronger fraud and identity theft prevention measures going forward, and to protect Americans who were innocent victims of identity theft.

***President Biden strongly supports this new legislation, as well as separate bipartisan legislation, that would enact his proposals to:***

- Provide hundreds of millions of dollars for investigation and prosecution of those engaged in major or systemic pandemic fraud.
- Invest in fraud prevention to help prevent identity theft and major fraud involving public benefits programs.
- Help victims of identity theft who find themselves facing hardship, credit score deterioration, tax liability, and extreme stress and helplessness through no fault of their own.

**This legislation is the latest in a series of bills—including several that are bipartisan—that would enact the President’s comprehensive pandemic anti-fraud proposal. This legislation, along with other bipartisan proposals, would:**

**I. Prosecute & Recover: Ensuring That Oversight and Enforcement Bodies Have the Resources to Prosecute Major Pandemic Fraud & Recoup Taxpayer Dollars:** We must empower law enforcement to investigate, pursue, prosecute, and recover money from those who have engaged in major or sophisticated fraud—from individuals who egregiously stole hundreds of thousands, if not millions, of dollars from taxpayers to sophisticated criminal syndicates engaging in systemic identity theft. The oversight and law enforcement communities

need both the time to prosecute the most serious and sophisticated cases and the resources to hire law enforcement and investigators for multi-year assignments. That's why this legislation:

- **Provides \$300 million to triple the COVID-19 Fraud Strike Force teams** created by the Department of Justice (DOJ) "Chief Pandemic Fraud Prosecutor." These "strike forces" have been highly effective, having worked with DOJ attorneys across the country to [seize or forfeit over \\$1.4 billion in stolen COVID-19 relief funds](#). This additional funding will ensure that the Department has the necessary resources to prosecute the full range of pandemic fraud, bring to justice the most egregious and sophisticated offenders, and recover additional stolen funds for the American people.
- **Increases the Program Fraud Civil Remedies Act cap to \$1 million**, ensuring that all remedies are available to recapture large, six-figure fraud that might otherwise fall below the prioritization threshold for prosecution. Supported by the heads of both the Government Accountability Office (GAO) and the Pandemic Response Accountability Committee (PRAC), this reform will raise the administrative claims cap from \$150,000 to \$1 million.
- **Provides \$250 million to the Small Business Administration (SBA) and Department of Labor (DOL) Offices of Inspectors General (OIGs)**, ensuring they have the resources needed to identify and recover billions of dollars in fraudulent payments. This funding is provided for the express purpose of long-term hiring of investigators to pursue special cases of organized pandemic fraud and supporting the interagency strike forces led by the DOJ Chief Pandemic Fraud Prosecutor.
- **Continues the Department of Labor (DOL) OIG's access to expanded unemployment insurance (UI) datasets that can be used to detect instances of multi-state and coordinated fraud**, where the same identity is inappropriately used to apply for benefits in multiple states. The expanded authorities in this legislation ensure continued access to datasets that will help DOL OIG detect and investigate criminal syndicates that have defrauded state UI systems across the country.
- **Wyden-Crapo proposal to raise statute of limitations for pandemic UI fraud to 10 years**: In addition to the Peters-Durbin legislation proposed today, Senate Finance Committee Chair Ron Wyden and Ranking Member Mike Crapo [introduced a bipartisan legislative framework](#) that, like the President's March 2023 Anti-Fraud proposal, would extend the statute of limitation to 10 years. This proposal was also highlighted in the President's FY 2025 budget. It will provide extended time for prosecutors to investigate and prosecute complex criminal syndicates. This provision goes hand-in-hand with the additional funding provided in today's legislation, ensuring investigators and prosecutors have both enough time and enough resources to identify, investigate, and prosecute the criminals who stole billions in pandemic relief dollars.

**II. Prevent & Safeguard: Investing in Fraud and Identity Theft Prevention Going Forward**: The pandemic exposed significant vulnerabilities in our government benefits systems, especially regarding preventing systemic identity theft. Reliance on historic knowledge-based verification (e.g., Social Security number, date of birth) is more and more susceptible to attacks given the widespread ease of access by criminal syndicates to individuals' personal information, which can be bought on the dark web for pennies. We also know that identity theft exacts a devastating toll on its victims. Ever-evolving and increasingly sophisticated identity theft schemes cause significant tax and credit harms to the victims of identity fraud as well as equally serious challenges in resolving those harms. That's why this legislation:

## **Invests in Major Fraud Prevention Strategy:**

- **Provides \$25 million and new authorities to expand Treasury’s Do Not Pay Service.** Building on the Administration’s significant progress in adding the most comprehensive source of death data to Do Not Pay earlier this year to prevent payments to deceased individuals, this legislation will add new funds, authorities, and datasets to Treasury to increase Do Not Pay’s capacity to identify, prevent, and recover improper payments and related fraudulent activity.
- **Provides \$75 million for privacy-preserving validation of key identity attributes.** This attribute validation system, operated by the Social Security Administration, will allow agencies to validate that a provided name, date of birth, and Social Security number—three critical pieces of identity information—match official government records while preserving the privacy of individuals by providing just a “yes” or “no” response. This system will help reduce government reliance on data brokers while increasing access and ensuring individual privacy.
- **Peters-Romney Extension of a Cutting-Edge Anti-Fraud Analytics Platform – the Pandemic Analytics Center for Excellence (PACE):** In addition to the Peters-Durbin legislation announced today, [Senators Gary Peters and Mitt Romney recently introduced bipartisan legislation](#) to enact the President’s call to expand and make permanent the PRAC’s Pandemic Analytics Center of Excellence (PACE). The President’s March 2023 plan called for the extension of PACE. The PACE’s cutting-edge analytics capabilities, developed and refined during the pandemic, provide analytic, audit, and investigative support to the Inspector General community. The President supports a permanent anti-fraud data and analytics capability analogous to the PACE for the IG community, and, given the ever-evolving nature of fraud, strongly supports expanding this effort in the future to focus increasingly on up-front detection and prevention of fraud, covering all Federal spending.
- **Upcoming Death Master File Legislation:** In addition to the Peters-Durbin bill announced today, the President looks forward to the movement of legislation to make Treasury Do Not Pay’s access to the Death Master File permanent. Earlier this year, the Administration successfully added the Death Master File—the most comprehensive source of death data—to Treasury’s Do Not Pay, allowing all agencies to easily check against it. However, Do Not Pay’s access to this data expires in 2026. This legislation will permanently extend Treasury’s access to this information, ensuring that deceased individuals are not paid government benefits.

## **Makes Critical Investments in Identity Theft Safeguards and Assistance for Victims of Identity Theft:**

- **Provides \$275 million to prevent identity theft in public benefits,** enabling agencies to upgrade and modernize their identity verification and fraud prevention systems to protect against systemic identity theft and stop organized criminal syndicates from exploiting government benefits programs. Agencies will use these funds to implement critical lessons learned from the pandemic in fraud prevention and ensure that government systems are prepared to securely serve constituents in an increasingly digital world.
- **Provides \$25 million to pilot an identity theft early warning system** that will notify individuals when their identity information is verified to access a federally- or state-administered public benefits program and give them the option to stop potentially fraudulent transactions before they occur and report such transactions to law enforcement entities.

- **Provides \$200 million to enhance IdentityTheft.gov and create a one-stop remediation experience for victims.** These funds will support FTC's enhancement of IdentityTheft.gov, which will provide individuals a one-stopshop experience to both report identity crimes and receive personalized identity theft recovery assistance, coordinating, as appropriate, with state and local non-profit legal services and community-based organizations.
- **Provides \$175 million in grants for additional services for victims of identity theft.** Additional funding will be made available to state and local non-profits and legal services organizations that provide direct services to victims of identity theft. These grants will be administered by DOJ's Office for Victims of Crime and will help scale on-the-ground support for victims and existing partnerships.

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