

Opening Statement of Ranking Member Thomas R. Carper
“Examining Federal Improper Payments and Errors in the Death Master File”
March 16, 2015

As prepared for delivery:

Let me begin by thanking Chairman Johnson for holding today’s hearing. Clearly, those of us in Congress, as well as our counterparts in the Administration, must do more to tackle government waste and fraud. Fortunately, there are steps we can take to strengthen the integrity and efficiency of federal programs. The Administration is taking some of those steps, but we need to do more.

While our fiscal situation is improving, we still have a budget deficit, and a debt of more than \$18 trillion. At a time when many agencies are struggling with tight budgets and facing sequestration on the horizon, we can’t afford to be making \$125 billion in improper payments like we reportedly did last fiscal year.

This latest improper estimate represents an almost \$19 billion increase over the previous year. These payments come from over 70 programs at more than 20 agencies, in programs ranging from Medicare and Medicaid to the Department of Defense. If we’re going to get a better handle on our debt and deficit – and, frankly, improve Americans’ impression of how we take care of their money – we need to sharpen our pencils and stop making the kind of expensive, avoidable mistakes that lead to wasteful spending and make our agencies and programs vulnerable to fraud and abuse.

Congress has already taken some steps that are helping agencies address this challenge. Our improper payments problems were first addressed through legislation that originated in the House in 2002. The Improper Payments Information Act required agencies to estimate the levels of improper payments made each year.

In 2010, former Senator Coburn and I followed up on this effort with the Improper Payments Elimination and Recovery Act, which expanded the requirements for agencies to identify, prevent and recover improper payments. In 2012, Senators Collins, Scott Brown and I went further with the Improper Payments Elimination and Recovery Improvement Act. Building off a very good initiative of the Administration, this law made permanent the ‘Do Not Pay’ program, which is designed to screen all federal payments in order to double check basic eligibility requirements. Simply put, ‘Do Not Pay’ allows a government agency to check whether someone should be paid before the government pays them. I hope to have a discussion with our witnesses today – especially our witnesses from OMB and GAO – about how all of these legislative initiatives are working – or not – and what additional measures we should consider.

We will also spend some time today discussing the specific problem of agencies making payments to people who are actually deceased. For example, the Office of Personnel Management Inspector General reported just four years ago that \$601 million in improper payments were made to federal retirees found to have died over the previous five years. However, such payments to dead people are not unique to this one program. Improving

the collection, verification, and use by federal agencies of data on individuals who have died will help curb hundreds of millions, if not billions, of dollars in improper payments.

I am actively working with Chairman Johnson, the Administration and others to re-introduce legislation from the last congressional session to tackle the very frustrating problem of improper payments to dead people. Unfortunately, we have more work ahead.

Last week, the Social Security Inspector General released a report stating that 6.5 million people have active Social Security numbers who, based on the Social Security Administration's own records, would be more than 112 years old. In fact, a few thousand of the records reviewed by the Inspector General seem to show 'living' individuals with active Social Security numbers who were born before the Civil War. In the real world, public records show that only 35 people worldwide are 112 or older.

We will hear today from the Social Security Administration about their efforts to ensure accurate information about who is alive or dead. However, what should be extremely concerning to us is that inaccurate death data may lead to improper payments by many other agencies across the government, and also creates greater vulnerabilities for fraud and identity theft. We will hear more about this problem, and the opportunities for a solution from today's witnesses.

I want to make clear my view that the Administration deserves much credit for many initiatives to curb waste and fraud, as Comptroller Mader of the Office of Management and Budget will soon describe. But we need to do more. We must use every tool available to put our fiscal house back in order, and give the American people the government they expect and deserve.

It is the right thing to do on behalf of the taxpayers of this country who entrust us with their hard-earned money. I often think of how the Preamble to the Constitution speaks of 'a more perfect union.' We will never be perfect in this area, but we should strive for perfection, because everything we do we know we can do better. So in that spirit, I look forward to working with the Administration and my colleagues on this committee to make real progress this year on reducing improper payments.

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