

[S. 614, Federal Improper Payments Coordination Act of 2015](#)

FLOOR SITUATION

On Monday, December 7, 2015, the House will consider [S. 614](#), the Federal Improper Payments Coordination Act of 2015, under suspension of the rules. The bill was introduced on February 27, 2015, by Sen. Thomas Carper (D-DE) and passed the Senate, as amended, by unanimous consent on July 28, 2015.

SUMMARY

S. 614 amends federal law to reduce improper payments made by the federal government. The bill expands the Department of Treasury's Do Not Pay initiative from use by just Executive branch agencies, to the Judicial and Legislative Branches, as well as state government agencies that manage federal programs. The bill improves information sharing regarding deaths that occur overseas to help improve the accuracy of government death records and subsequently reduce the possibility of fraudulent government-benefit payments. The bill also requires the Treasury to submit a report to Congress describing how Do Not Pay Initiative data analytics incorporates certain metrics.¹

BACKGROUND

Federal agencies make millions of payments to individuals and a variety of other entities each year. 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.²

The Improper Payments Information Act of 2002 (IPIA) required executive agencies to begin to comprehensively address improper payments by requiring them to annually review all programs and activities they administer, identify those that may be susceptible to significant improper payments, develop improper payments estimates for those programs deemed susceptible, and report the estimates annually.³

¹ See [Senate Report 114-86](#) at 6.

² See CBO [S. 614 Cost Estimate](#), June 18, 2015.

³ See [Senate Report 114-86](#) at 3.

In April 2011, in part as a result of several executive orders, the Treasury’s Bureau of the Fiscal Service partnered with the Saint Louis and Kansas City Federal Reserve Banks as Treasury’s Fiscal Agent, to develop the Do Not Pay Business Center as a one-stop-shop data tool for agencies to combat fraud.⁴ DNP allows agencies to check various data sources for pre-award, pre-payment eligibility verification, at the time of payment and any time in the payment lifecycle. It allows them to verify eligibility of a vendor, grantee, loan recipient, or beneficiary.⁵ S. 614 expands access to this data to the Judicial and Legislative branches and state government agencies that manage federal programs, as well as improves the collection of death information.

According to the bill sponsor, “The Improper Payments Coordination Act of 2015 would help curb agency waste and fraud by strengthening the ability of federal agencies to detect and prevent improper payments, which rose to \$125 billion dollars last year after dropping for the previous three years.”⁶

COST

The Congressional Budget Office (CBO) [estimates](#) that although implementing the bill would probably result in fewer improper payments, any subsequent budgetary savings would not be significant.

STAFF CONTACT

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.

⁴ See Treasury Department Do Not Pay Business Center, [About us](#)

⁵ Id.

⁶ See Sen. Thomas Carper Press Release, [“Committee Approves Bipartisan Bills to Curb Improper Payments, Increase Accountability and Transparency in Presidential Library Donations.”](#) March 4, 2015.