

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5363

To make funds available to increase program integrity efforts and reduce wasteful government spending of taxpayer's dollars.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 20, 2010

Mr. SCHRADER (for himself, Mr. ARCURI, Mr. BOREN, Mr. BOYD, Mr. CARDOZA, Mr. CHANDLER, Mr. CHILDERS, Mr. COOPER, Mr. COSTA, Mr. CUELLAR, Mr. DAVIS of Tennessee, Mr. ELLSWORTH, Ms. GIFFORDS, Ms. HARMAN, Ms. HERSETH SANDLIN, Mr. HILL, Mr. HOLDEN, Mr. KAGEN, Mr. KRATOVIL, Ms. MARKEY of Colorado, Mr. MATHESON, Mr. MCINTYRE, Mr. MELANCON, Mr. MICHAUD, Mr. MINNICK, Mr. MOORE of Kansas, Mr. MURPHY of New York, Mr. NYE, Mr. ROSS, Ms. LORETTA SANCHEZ of California, Mr. SCHIFF, Mr. SHULER, Mr. TANNER, and Mr. WILSON of Ohio) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce and Education and Labor, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To make funds available to increase program integrity efforts and reduce wasteful government spending of taxpayer's dollars.

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 “Preventing Waste,  
3 Fraud, and Abuse Act of 2010”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds the following:

6 (1) To protect the taxpayer and the Treasury,  
7 it is the responsibility of the Congress to provide  
8 Federal agencies with the financial resources nec-  
9 essary to enforce the laws of the United States and  
10 to prevent waste, fraud, and abuse of taxpayer’s dol-  
11 lars.

12 (2) For every \$1 invested in the Department of  
13 Health and Human Services and the Department of  
14 Justice for program integrity efforts to prevent  
15 waste, fraud, and abuse of Medicare, Medicaid, and  
16 the Children’s Health Insurance Program, approxi-  
17 mately \$1.55 will be saved, according to a report  
18 issued by the Office of Management and Budget.

19 (3) Increased program integrity efforts by the  
20 Department of Health and Human Services and the  
21 Department of Justice can provide an estimated sav-  
22 ings of \$4,470,000,000 on an investment of  
23 \$3,100,000,000 in Medicare, Medicaid, and the Chil-  
24 dren’s Health Insurance Program over the next 5  
25 fiscal years and an estimated savings of  
26 \$9,870,000,000 on an investment of \$6,753,000,000

1 over the next 10 fiscal years, according to a report  
2 issued by the Office of Management and Budget.

3 (4) For every \$1 invested in the Social Security  
4 Administration for program integrity efforts to in-  
5 crease the volume of continuing disability reviews  
6 conducted pursuant to section 221(i) of the Social  
7 Security Act (42 U.S.C. 421(i)) to determine wheth-  
8 er a recipient of disability insurance benefits under  
9 section 223(a) of such Act (42 U.S.C. 423(a)) will  
10 continue to be eligible for such benefits, approxi-  
11 mately \$10 will be saved, according to a report  
12 issued by the Office of Management and Budget.

13 (5) For every \$1 invested in the Social Security  
14 Administration for program integrity efforts to in-  
15 crease the volume of continuing disability reviews  
16 conducted pursuant to section 1631(j) of Social Se-  
17 curity Act (42 U.S.C. 1383(j)) to determine whether  
18 a recipient of supplemental security income benefits  
19 under section 1611 of such Act (42 U.S.C. 1382)  
20 will continue to be eligible for such benefits, approxi-  
21 mately \$8 will be saved, according to a report issued  
22 by the Office of Management and Budget.

23 (6) Providing additional funding to the Social  
24 Security Administration to increase the volume of  
25 continuing disability reviews conducted pursuant to

1 sections 221(i) and 1631(j) of Social Security Act  
2 (42 U.S.C. 421(i), 1383(j), respectively) can provide  
3 an estimated savings of \$16,102,000,000 on an in-  
4 vestment of \$3,953,000,000 over the next 5 fiscal  
5 years and an estimated savings of \$57,838,000,000  
6 on an investment of \$10,252,000,000 over the next  
7 10 fiscal years, according to a report issued by the  
8 Office of Management and Budget.

9 (7) The tax gap, the difference between the an-  
10 nual amount of Federal income taxes owed and the  
11 amount voluntarily paid on time, places an undue  
12 burden upon the overwhelming majority of taxpayers  
13 who fully and voluntarily pay their taxes on time.

14 (8) In a report released in 2009 by the Internal  
15 Revenue Service, it was estimated that in 2005 (the  
16 most recent estimate available) the gross tax gap  
17 was \$345,000,000,000 and the net tax gap (after  
18 the collection of late and enforced payments) was  
19 \$290,000,000,000.

20 (9) In 2009, for every \$1 that was invested for  
21 the purposes of enforcing the tax code, the Internal  
22 Revenue Service returned an average of \$4 to the  
23 Treasury, with some enforcement activities returning  
24 as much as \$11 for every \$1 invested, according to

1 a report issued by the Office of Management and  
2 Budget.

3 (10) By increasing overall tax enforcement ef-  
4 forts, the Internal Revenue Service can provide an  
5 estimated savings of \$13,874,000,000 on an invest-  
6 ment of \$8,869,000,000 over the next 5 fiscal years  
7 and an estimated savings of \$62,217,000,000 on an  
8 investment of \$23,275,000,000 over the next 10 fis-  
9 cal years, according to a report issued by the Office  
10 of Management and Budget.

11 (11) For each \$1 invested to increase the vol-  
12 ume of in-person reemployment and eligibility as-  
13 sessments conducted by States for the Department  
14 of Labor's unemployment insurance program, ap-  
15 proximately \$3.19 will be saved over the next 10  
16 years, according to a report issued by the Office of  
17 Management and Budget.

18 (12) States will save the Department of Labor's  
19 unemployment insurance program an estimated  
20 \$937,000,000 on an investment of \$325,000,000 by  
21 increasing the volume of in-person reemployment  
22 and eligibility assessments over the next 5 fiscal  
23 years and an estimated savings of \$2,296,000,000  
24 on an investment of \$720,000,000 over the next 10

1 fiscal years, according to a report issued by the Of-  
2 fice of Management and Budget.

3 (13) The investments described in the preceding  
4 paragraphs, if carried out, will save the taxpayers  
5 nearly \$2,000,000,000 during fiscal year 2011, while  
6 laying the foundations for saving more than  
7 \$35,000,000,000 over the next 5 fiscal years and  
8 more than \$132,000,000,000 over the next 10 fiscal  
9 years.

10 **SEC. 3. DEFINITIONS.**

11 In this Act:

12 (1) AGENCY HEAD.—The term “agency head”  
13 means—

14 (A) the Attorney General;

15 (B) the Commissioner of Social Security;

16 (C) the Secretary of Health and Human  
17 Services;

18 (D) the Secretary of Labor; and

19 (E) the Secretary of the Treasury.

20 (2) DIRECTOR.—The term “Director” means  
21 the Director of the Office of Management and Budg-  
22 et.

23 **SEC. 4. INCREASING PROGRAM INTEGRITY EFFORTS.**

24 (a) PROGRAM INTEGRITY EFFORTS.—

1           (1) IN GENERAL.—Each agency head, in con-  
2           sultation with the Director, shall—

3                   (A) identify existing Federal laws and reg-  
4                   ulations that may impede the ability to decrease  
5                   waste, fraud, and abuse of funds appropriated  
6                   to the agency head’s agency; and

7                   (B) develop appropriate performance  
8                   metrics to measure such agency’s success in de-  
9                   creasing waste, fraud, and abuse.

10           (2) DEVELOPMENT OF METRICS.—In devel-  
11           oping performance metrics referred to in paragraph  
12           (1)(B), each agency head shall—

13                   (A) ensure that such metrics accurately  
14                   demonstrate the effectiveness of the programs  
15                   and activities referred to in subsection (d) in  
16                   decreasing waste, fraud, and abuse;

17                   (B) provide estimates for points of dimin-  
18                   ishing returns on the funds provided under this  
19                   Act to increase program integrity efforts;

20                   (C) identify optimal baselines for each of  
21                   the metrics developed under this subsection and  
22                   appropriate methods to measure variations from  
23                   such baselines; and

24                   (D) set performance targets for each of fis-  
25                   cal years 2012 through 2020.

1 (b) INNOVATION AND DEVELOPMENT.—Each agency  
2 head shall make appropriate accommodations for innova-  
3 tion and development to address the program integrity ef-  
4 forts for programs and activities referred to in subsection  
5 (d).

6 (c) REPORTS.—

7 (1) IN GENERAL.—Each agency head shall sub-  
8 mit to Congress—

9 (A) not later than 6 months after the date  
10 of enactment of this Act, an interim report that  
11 includes a description of—

12 (i) what the performance metrics de-  
13 veloped under subsection (a) will be meas-  
14 uring; and

15 (ii) how such metrics will measure and  
16 provide an accurate analysis of the per-  
17 formance of the applicable programs and  
18 activities referred to in subsection (d); and

19 (B) not later than 1 year after the date of  
20 enactment of this Act, a final report that sets  
21 forth the performance metrics developed under  
22 subsection (a).

23 (2) FEDERAL REGISTER; WEB SITE.—Each  
24 agency head shall publish in the Federal Register  
25 and make available on the agency Web site the per-



1 performance metrics set forth in its final report sub-  
2 mitted under paragraph (1)(B) not later than 30  
3 days after such report is submitted.

4 (3) MODIFICATION OF PERFORMANCE  
5 METRICS.—Not later than 30 days after the date on  
6 which any performance metrics developed under sub-  
7 section (a) are modified by an agency head, such  
8 agency head shall submit to Congress a written no-  
9 tice describing such modifications.

10 (4) OMB ANNUAL REPORT.—Using the per-  
11 formance metrics developed under subsection (a),  
12 each year, beginning with the first fiscal year fol-  
13 lowing the date on which the final reports are re-  
14 quired to be submitted under paragraph (1)(B), on  
15 or after the first Monday in January but not later  
16 than the first Monday in February, the Director  
17 shall submit to Congress an annual report meas-  
18 uring the success of the agency head’s agency in de-  
19 creasing waste, fraud, and abuse of funds appro-  
20 priated to such agency. Each annual report shall in-  
21 clude a summary of and justifications for any modi-  
22 fied performance metrics submitted to Congress pur-  
23 suant to paragraph (3).

24 (5) REFERRAL OF REPORTS.—Each report sub-  
25 mitted pursuant to this subsection shall be referred

1 to the Committee on Appropriations and the Com-  
2 mittee on the Budget of the House of Representa-  
3 tives and the Committee on Appropriations and the  
4 Committee on the Budget of the Senate, and any  
5 other appropriate committee of jurisdiction.

6 (d) AUTHORIZATION OF APPROPRIATIONS.—

7 (1) DEPARTMENT OF HEALTH AND HUMAN  
8 SERVICES; DEPARTMENT OF JUSTICE.—For the pur-  
9 poses of continuing and increasing program integrity  
10 efforts of the Department of Health and Human  
11 Services and the Department of Justice to prevent  
12 waste, fraud, and abuse of Medicare, Medicaid, and  
13 the Children’s Health Insurance Program, there are  
14 authorized to be appropriated the following sums:

15 (A) \$561,000,000 for fiscal year 2011, to  
16 remain available through September 30, 2012.

17 (B) \$589,000,000 for fiscal year 2012, to  
18 remain available through September 30, 2013.

19 (C) \$619,000,000 for fiscal year 2013, to  
20 remain available through September 30, 2014.

21 (D) \$649,000,000 for fiscal year 2014, to  
22 remain available through September 30, 2015.

23 (E) \$682,000,000 for fiscal year 2015, to  
24 remain available through September 30, 2016.

1 (F) \$3,653,000,000 for the period encom-  
2 passing fiscal years 2016 through 2020.

3 (2) SOCIAL SECURITY ADMINISTRATION.—For  
4 the purposes of continuing and increasing program  
5 integrity efforts of the Social Security Administra-  
6 tion by increasing the volume of continuing disability  
7 reviews conducted pursuant to sections 221(i) and  
8 1631(j) of the Social Security Act (42 U.S.C. 421(i),  
9 1383(j), respectively), there are authorized to be ap-  
10 propriated to the Commissioner of Social Security  
11 the following sums:

12 (A) \$513,000,000 for fiscal year 2011, to  
13 remain available through September 30, 2012.

14 (B) \$642,000,000 for fiscal year 2012, to  
15 remain available through September 30, 2013.

16 (C) \$751,000,000 for fiscal year 2013, to  
17 remain available through September 30, 2014.

18 (D) \$924,000,000 for fiscal year 2014, to  
19 remain available through September 30, 2015.

20 (E) \$1,123,000,000 for fiscal year 2015,  
21 to remain available through September 30,  
22 2016.

23 (F) \$6,299,000,000 for the period encom-  
24 passing fiscal years 2016 through 2020.

1           (3) DEPARTMENT OF THE TREASURY.—For  
2 purposes of continuing and increasing program in-  
3 tegrity efforts of the Department of the Treasury by  
4 expanding tax enforcement activities, there are au-  
5 thORIZED to be appropriated to the Secretary of the  
6 Treasury the following sums:

7           (A) \$1,115,000,000 for fiscal year 2011,  
8 to remain available through September 30,  
9 2012.

10           (B) \$1,357,000,000 for fiscal year 2012,  
11 to remain available through September 30,  
12 2013.

13           (C) \$1,724,000,000 for fiscal year 2013,  
14 to remain available through September 30,  
15 2014.

16           (D) \$2,105,000,000 for fiscal year 2014,  
17 to remain available through September 30,  
18 2015.

19           (E) \$2,568,000,000 for fiscal year 2015,  
20 to remain available through September 30,  
21 2016.

22           (F) \$14,406,000,000 for the period encom-  
23 passing fiscal years 2016 through 2020.

24           (4) DEPARTMENT OF LABOR.—For purposes of  
25 continuing and increasing program integrity efforts

1 of the Department of Labor by increasing the vol-  
2 ume of in-person reemployment and eligibility as-  
3 sessments of unemployment insurance beneficiaries  
4 conducted by States, there are authorized to be ap-  
5 propriated to the Secretary of Labor the following  
6 sums:

7 (A) \$55,000,000 for fiscal year 2011, to  
8 remain available through September 30, 2012.

9 (B) \$60,000,000 for fiscal year 2012, to  
10 remain available through September 30, 2013.

11 (C) \$65,000,000 for fiscal year 2013, to  
12 remain available through September 30, 2014.

13 (D) \$70,000,000 for fiscal year 2014, to  
14 remain available through September 30, 2015.

15 (E) \$75,000,000 for fiscal year 2015, to  
16 remain available through September 30, 2016.

17 (F) \$395,000,000 for the period encom-  
18 passing fiscal years 2016 through 2020.

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