For immediate release: Wednesday, April 28, 2010
Contact:
Jenny Rosenberg - Oversight Majority (202) 225-5051
Kurt Bardella – Oversight Minority (202) 225-5074
Sara Schaumburg – Rep. Patrick Murphy (202) 225-4276
Fritz Chaleff – Rep. Brian Bilbray (202) 225-0508

House Passes Bipartisan Legislation to Reduce Excess Payments by Federal Agencies

WASHINGTON – The House of Representatives today unanimously passed H.R. 3393, the "Improper Payments Elimination and Recovery Act of 2009" (IPERA), to ensure that taxpayer dollars are spent in the most responsible way possible and that if the government overpays for goods or services, it has the means to recover those overpayments. H.R. 3393, referred to the House Committee on Oversight and Government Reform, provides the Federal government with the tools needed to prevent mistakes and overpayments in the first place, and recover funds that are paid in error. The Office of Management and Budget (OMB) recently reported that the Federal government made $98 billion in overpayments in 2009

The Committee first took action on this issue eight years ago with the "Improper Payments Information Act of 2002" that required agencies to assess their financial management and measure the amount of their funding at risk for mismanagement or payment errors. That bill, sponsored by Rep. Todd Platts (R-PA), was an important step in improving the nation's fiscal management and reducing mistaken payments.

"We are living in a time when our government is under extreme fiscal demands and we need to do everything possible to ensure that every tax dollar goes to where it is needed. To ensure this takes place, we need to provide our federal agencies with the tools to properly manage their spending," said Rep. Edolphus "Ed" Towns (D-NY), chairman of the House Committee on Oversight and Government Reform. "We also need to give the agencies the ability to follow through with their oversight and provide them with the ability to recover erroneous payments. However, we cannot stop there; we must do everything we can to ensure that federal agencies who make improper payments fix the problems that allowed the improper payments to take place."

"The federal government must be better stewards of taxpayer dollars. Too often, waste, fraud, abuse and mismanagement goes unaddressed resulting in tremendous taxpayer losses while the federal government just sits on the sidelines doing nothing about it," said Ranking Member Darrell Issa (R-CA). "The legislation we have passed today is an important first step in bringing greater transparency to the federal government. Establishing this $100 million reporting threshold is the first of what I hope will be a series of measures which will one day bring us to total financial accountability."

H.R. 3393 was introduced on July 29, 2009 by Rep. Patrick Murphy (D-PA) and the Committee worked in a bipartisan manner to get the legislation to the House floor.

"I am proud to pass this bill to ensure we cut down on wasteful government spending," said Congressman Murphy.

"Taxpayers demand that there is accountability in their government." said Congressman Brian Bilbray (R-CA), a co-sponsor of the legislation. "The Improper Payments Elimination and Recovery Act of 2009 will finally mandate accountability of all federal agencies and their budgets. We must remember: it is not the government's money, it is the taxpayers' money."

IPERA also requires agencies to report to Congress how much money was improperly paid and to whom, how the improper payment occurred, how the agency intends to remedy the issue which led to the improper payment, how much money has been recovered, and to update Congress on the status of their plan to improve their internal controls. OMB will be required to produce an annual report on government wide improper payments and actions taken to recover those payments.

Furthermore, H.R. 3393 requires agencies to conduct payment recovery audits on any program that spends more than $1 million. The audits could be conducted either by the agencies themselves or by private contractors. Five percent of the amounts collected would be provided to the respective Office of Inspectors general; up to 25% of the amounts collected could be used to help the agency carry out financial management improvement programs; up to 25% of the funds collected could be redirected to the specific appropriation or fund from which the improper payment was made; and the remaining funds would go back to the Treasury Department.

The bill now moves to the Senate for consideration.

###