

# Congress of the United States

Washington, DC 20515

July 16, 2015

The Honorable Jacob J. Lew  
Secretary  
U.S. Department of the Treasury  
401 14th Street SW  
Washington, D.C. 20227

Dear Mr. Secretary:

Government-wide use of data-mining, data-matching, and predictive analytic technologies is essential to detect and prevent fraud and reduce improper payments.<sup>1</sup> With this in mind, Congress gave the Department of Treasury authority under the Digital Accountability and Transparency Act (DATA Act) to preserve the data analytics capabilities of the Recovery Accountability and Transparency Board's Recovery Operations Center (ROC). This authority permits government-wide use of the ROC's capabilities to reduce improper payments and improve efficiency in federal spending.<sup>2</sup>

The Department, however, has thus far not used the authority granted to it by Congress. According to the Government Accountability Office, Treasury has decided to forgo the opportunity to expand data analytic capabilities.<sup>3</sup> Without Treasury's intervention, the ROC's powerful analytic capabilities will be lost when the Recovery Board terminates at the end of the fiscal year.<sup>4</sup>

Last year, improper payments increased by \$19 billion and the average rate of improper payments increased to 4.5 percent of payments.<sup>5</sup> In fact, federal agencies agree that fraud detection and prevention could be significantly improved with greater access to data and analytical tools.<sup>6</sup>

The ROC is a central data analytics service that uses data-mining, data-matching, and predictive analytic technologies to oversee the disbursement of federal funds.<sup>7</sup> The tools have been used for oversight of Recovery Act funds and Hurricane Sandy relief funds, and to assist in

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<sup>1</sup> U.S. Gov't Accountability Office, *Federal Data Transparency: Opportunities Remain to Incorporate Lessons Learned as Availability of Spending Data Increases* (Sept. 2013) (GAO-13-758).

<sup>2</sup> Pub. L. No. 113-101, 128 Stat. 1146 (May 9, 2014), codified at 31 U.S.C. § 6101 note.

<sup>3</sup> Briefing by U.S. Gov't Accountability Office, to H. Comm. on Oversight & Gov't Reform Staff (June 29, 2015).

<sup>4</sup> Pub. L. No. 111-5, 123 Stat. 115 (Feb. 17, 2009).

<sup>5</sup> U.S. Gov't Accountability Office, *Improper Payments: Government-Wide Estimates and Use of Death Data to Help Prevent Payments to Deceased Individuals* (Mar. 16, 2015) (GAO-15-482T).

<sup>6</sup> U.S. Gov't Accountability Office, *Highlights from a Forum: DATA Analytics for Oversight and Law Enforcement* (July, 2013) (GAO-13-680SP).

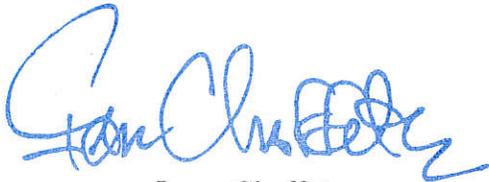
<sup>7</sup> U.S. Gov't Accountability Office, *Federal Data Transparency: Opportunities Remain to Incorporate Lessons Learned as Availability of Spending Data Increases* (Sept. 2013) (GAO-13-758); U.S. Gov't Accountability Office, *Federal Data Transparency: Opportunities Remain to Incorporate Recovery Act Lessons Learned* (Sept. 2013) (GAO-13-871T).

Inspectors General and law enforcement investigations. The ROC has been a success - staff and analytical tools have been able to identify misuse of veterans' benefits, federal awards to excluded contractors or recipients that are otherwise ineligible for federal awards, Medicare and Medicaid fraud, and contractors that have entered into bankruptcy or have federal tax liens.<sup>8</sup>

We seek to better understand whether Treasury will use its authority under the DATA Act to preserve the ROC's analytical tools for government-wide use to address ongoing concerns with improper payments and fraud prevention. Accordingly, please provide a staff briefing as soon as possible, but no later than 5:00 p.m. on July 23, 2015.

If you have any questions about this request, please contact Katy Rother of the House Committee on Oversight and Government Reform Majority staff at (202) 225-5074, Krista Boyd of the House Committee on Oversight and Government Reform Minority staff at (202) 225-5051, Sean Casey of the Senate Committee on Homeland Security and Governmental Affairs Majority staff at (202) 224-4752, or Brian Papp at the Senate Committee on Homeland Security and Governmental Affairs Minority staff at (202) 224-4752. Thank you for your attention to this matter.

Sincerely,



Jason Chaffetz  
Chairman  
House Committee on Oversight  
and Government Reform



Ron Johnson  
Chairman  
Senate Committee on Homeland  
Security and Governmental Affairs



Elijah E. Cummings  
Ranking Member  
House Committee on Oversight  
and Government Reform



Thomas R. Carper  
Ranking Member  
Senate Committee on Homeland  
Security and Governmental Affairs

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<sup>8</sup> Recovery Accountability and Transparency Board, *Annual Report – Fiscal Year 2013*, available at: <http://www.recovery.gov/arra/About/board/Documents/2013%20Annual%20Report--Final.pdf>.