

# Durbin, Peters, And Wyden Introduce Legislation To Crack Down On Fraud, Recover Stolen Pandemic Funds, And Protect Taxpayer Dollars

by Maddie Carlos  
April 11 2024 9:55 AM



WASHINGTON – U.S. Senate Majority Whip Dick Durbin (D-IL), Chair of the Senate Judiciary Committee, along with U.S. Senators Gary Peters (D-MI), Chairman of the Homeland Security and Governmental Affairs Committee, and Ron Wyden (D-OR), Chairman of the Senate Finance Committee, introduced legislation to address historic levels of fraud within federal funds that were passed to help Americans through the COVID-19 pandemic. The *Fraud Prevention and Recovery Act* includes key resources and programs that will strengthen efforts to recover stolen pandemic funds, hold bad

actors accountable, prevent identify theft and ensure taxpayer dollars are being used effectively. The legislation also includes critical safeguards that will prevent future fraud and improper use of federal relief funds.

“During the pandemic, we saw a significant increase in fraud and identity theft,” said Durbin. “In line with President Biden’s historic efforts to address these issues, we introduced legislation to provide law enforcement with the tools necessary to identify the individuals responsible for fraud, prosecute them, and support the innocent victims. We must recover the funds stolen from the American people and bring to justice the perpetrators who committed this fraud.”

“When Congress passed critical relief to help Americans weather the COVID-19 crisis, criminals and bad actors took advantage of those important resources to line their own pockets,” said Peters. “I fought to ensure real-time oversight efforts were included in those packages, and the legislation I’ve introduced today with Senators Durbin and Wyden will build on that by adding new tools to recoup stolen funds, protect Americans from identify theft, and protect against future fraud.”

“Senate Democrats take a back seat to nobody when it comes to fighting fraud and abuse in federal programs, and the Biden administration is standing with us to protect the American people and their taxpayer dollars,” said Wyden. “This bill would make big progress cracking down on identity fraud and criminal abuses of our unemployment insurance system. We also know that fighting fraud and improving essential programs are not mutually exclusive. We’ve got to do both.”

Bad actors exploited the resources made available during the COVID-19 crisis, leading to historic levels of fraud of government programs, diverting crucial investments for American communities. The *Fraud Prevention and Recovery Act* seeks to hold those bad actors accountable and recover stolen funds, as well as establishes safeguards to protect against future fraud, and strengthens systems to combat identity theft and provide support to victims of identity theft.

A summary of the legislation is available [here](#) and key provisions are highlighted below:

### **Prosecute perpetrators of major fraud in pandemic programs and recover stolen funds:**

The legislation will provide vital resources to the Offices of Inspector General (OIGs) to investigate people who committed pandemic fraud and recover the taxpayer dollars they stole. Every dollar invested in their work generates \$10 in taxpayer savings—a tremendous return on investment.

### **Enhances safeguards and improves data checks to prevent future fraud:**

The bill would enhance the Treasury Department's 'Do Not Pay' service, which empowers federal agencies to detect and prevent improper payments. This measure alone would help prevent at least \$13 billion in illicit payments.

### **Expand Department of Justice pandemic fraud teams:**

Provides robust resources to support the Department of Justice's program to combat fraud and prosecute those who stole COVID-19 relief funds. The "Strike Force" teams have helped DOJ [seize](#) over \$1.4 billion in stolen funds as of 2023. Expanding these teams would help recover more taxpayer dollars, targeting criminal syndicates and major fraudulent actors.

### **Safeguards taxpayer dollars & supports victims of fraud:**

The legislation will create a new fund to help federal agencies prevent fraud and identity theft. It would create a new early warning system for detecting fraud. The system would notify individuals and groups when their information is being verified by the federal government. It would also develop privacy-preserving identity validation services at the Social Security Administration and bolster the federal government's capacity to help individuals who were victims of identity theft.