



COVID-19 5x5 series: Insights and actions

Program integrity



When payments are distributed during a crisis to help individuals and organizations in need, there's an increased chance for fraud, waste, abuse, or improper payments. Agencies have made progress in mitigating these risks to manage payments in a more streamlined and systematic manner, plugging in detection and prevention at the right time. In this time of crisis with increased pressure, business and technology leaders have an opportunity to collaborate and enhance their program integrity efforts. This quick summary provides some program integrity insights and actions you can take today in response to the pandemic.

5 insights you should know

Staying in the reaction lane can be costly. Increased emphasis on urgent mission needs can remove focus on program integrity (e.g., identifying fraud, reducing improper payments). Organizations moving to rapidly achieve their current missions may not be considering a broad enough view of their environment, trends, and potential fraud schemes.

Behaviors and requirements are changing at a rapid pace. Proactive measures may be traded for quick, decisive, and reactive solutions to combat new fraud, waste, and abuse schemes.

If you distribute payments, they will come—bad actors, that is. Unprecedented volumes of payments and relaxed controls and protocols (necessary to increase the velocity of payments) may open the door to new risks. Organizations may be using legacy tactics to try and address new and innovative fraud schemes.

Agencies are in full throttle. Distributing benefits to aid individuals and businesses is a top priority; however, the ensuing compliance and reporting requirements should not come as a surprise. Better to plan ahead before it becomes hard to look back.

How do you follow the money? In fiscal year 2018, OMB reported more than \$136 billion in improper payments and \$5.2 billion in confirmed fraud across agencies. That's in a traditional distribution year.



5 actions to take now

Perform a fraud risk assessment. Get back to the basics by identifying new schemes and risks through actions such as social media monitoring and data analysis. Encourage peer-to-peer discussions and subject-matter knowledge transfer to leverage leading practices.

Establish a monitoring function. Implement ongoing data analysis to monitor behavior and payment changes pre- and post-pandemic to understand how applicants/payees/partners are adjusting.

Initiate targeted analytics. Incorporate risk-based analytics to help identify specific actors that may be entering programs or receiving funds inappropriately. Explore AI options to help identify anomalies and comb through large volumes of data.

Prepare an impact assessment. Analyze existing data to understand the potential program integrity and regulatory compliance impact of both relaxing controls and other pivots your organization has made. Train for post-pandemic ramp-up of pre-pandemic regulatory environment.

Develop an oversight readiness playbook. Document clear processes and controls that create transparency and traceability of CARES Act disbursements to address audit risk. Align COVID-19-specific risks and controls to existing management control program(s).

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