

119TH CONGRESS
2^D SESSION

H. R. 8464

AN ACT

To amend title 31, United States Code, to authorize pausing and segmenting payments, and for other purposes.

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 “Stopping Fraudulent
3 Payments Act”.

4 **SEC. 2. AUTHORITY TO PAUSE PAYMENTS FOR FURTHER
5 REVIEW AND CORRECTIVE ACTION.**

6 (a) **TREASURY PAYMENT VOUCHER WAIVER AU-
7 THORITY.—**

8 (1) **AMENDMENT.—**Subchapter II of chapter 33
9 of title 31, United States Code, is amended by add-
10 ing at the end the following:

11 **“§ 3337. Authority to pause payments for further re-
12 view and corrective action**

13 **“(a) AGENCY OBLIGATION TO PAUSE DISBURSE-
14 MENT REQUESTS FOR CORRECTIVE ACTION.—**The head
15 of an agency shall take a corrective action to temporarily
16 delay, condition, or segment a disbursement request before
17 the certification of a payment voucher under section 3325
18 if, as determined by an official designated by the head of
19 the agency, the agency—

20 “(1) has sufficient reason to determine that the
21 payment presents an elevated risk of fraud based on
22 a fraud-risk indicator or an improper payment re-
23 sulting in financial loss to the Government as esti-
24 mated under the requirements of section 3352 in ac-
25 cordance with the statutorily-defined eligibility re-
26 quirements or other legally-established condition of

1 the program for a payee to be eligible to receive pay-
2 ment;

3 “(2) has sufficient reason to determine, based
4 on a notification by the relevant State or local gov-
5 ernment official in the case of a payment from Fed-
6 eral funds disbursed by a State or local government
7 under a State-administered and federally-funded
8 program, that the payment presents an elevated risk
9 of fraud based on a fraud-risk indicator or an im-
10 proper payment resulting in financial loss to the
11 Government as estimated under the requirements of
12 section 3352 in accordance with the statutorily-de-
13 fined eligibility requirements or other legally-estab-
14 lished condition of the program for a payee to be eli-
15 gible to receive payment; or

16 “(3) has been notified of an order from the Sec-
17 retary of the Treasury described under subsection
18 (b).

19 “(b) TREASURY OBLIGATION TO RETURN PAYMENT
20 VOUCHER AND ISSUE CORRECTIVE ACTION ORDER.—Ex-
21 cept where otherwise required by law, the Secretary shall
22 promptly notify the relevant certifying official of an order
23 to return a certified payment voucher submitted to a dis-
24 bursing official under section 3325 and issue a corrective
25 action order to the head of an agency not later than 2

1 days after the Secretary makes a determination that in
2 accordance with the statutorily-defined eligibility require-
3 ments or other legally-established condition of the pro-
4 gram for a payee to be eligible to receive payment that
5 such payment presents an elevated risk of fraud based on
6 a fraud-risk indicator or an improper payment resulting
7 in financial loss to the Government based on an output
8 of the Do Not Pay system under section 3354.

9 “(c) AGENCY DOCUMENTATION AND TIME-LIMITED
10 CORRECTIVE ACTION.—An action taken by the head of
11 an agency under subsection (a) shall—

12 “(1) be based on an objective, documented
13 fraud-risk indicator;

14 “(2) be narrowly applied to the portion of the
15 payment presenting the elevated risk; and

16 “(3) be limited in duration to the minimum pe-
17 riod necessary, as determined by the head of the
18 agency, to verify eligibility of the payee or accuracy
19 of the payment per any program requirement associ-
20 ated with the payment or as stipulated under law.

21 “(d) PAYEE NOTIFICATION AND TIME LIMIT OF
22 PAUSED DISBURSEMENT REQUESTS.—With respect to a
23 disbursement request that has been delayed, conditioned,
24 or segmented pursuant to subsection (a) or a payment

1 voucher that is returned pursuant subsection (b), the head
2 of the agency shall take the following actions:

3 “(1) Promptly provide to the payee (not later
4 than 2 days after a determination under subsection
5 (a) or a notification to the agency under subsection
6 (b)), as appropriate, and for a case in which the
7 payment from Federal funds disbursed by a State or
8 local government under a State-administered and
9 federally-funded program also provides to such rel-
10 evant State or local government official, a notifica-
11 tion that—

12 “(A) a disbursement has been temporarily
13 paused, conditioned, or segmented;

14 “(B) identifies the nature of the fraud-risk
15 indicator or improper payment relied upon by
16 the agency to make the corrective action deter-
17 mination under subsection (a) or notification to
18 the agency under subsection (b); and

19 “(C) outlines the process for the corrective
20 action review period.

21 “(2) Use a process tailored to the specific re-
22 quirements and design of the agency program for a
23 payee, or the State or local government described
24 under paragraph (1), to contest any factual inaccu-

1 racy or provide clarifying information during the
2 corrective action review period.

3 “(3) Issue such payment not later than 30 days
4 after a determination to take a corrective action is
5 made by the head of the agency under subsection (a)
6 or the agency was notified by the Secretary under
7 subsection (b) of a corrective action order, but not
8 later than 7 days after the date on which the payee
9 contests the corrective action under the process es-
10 tablished pursuant to paragraph (2), if the head of
11 the agency determines that the payment does not
12 present an elevated risk of fraud or an improper
13 payment resulting in financial loss to the Govern-
14 ment.

15 “(e) SEGMENTATION OF LOW-RISK PAYMENTS.—To
16 the maximum extent practicable, the head of each agency
17 shall allow a routine, historically consistent payment
18 amount to proceed while temporarily holding an anoma-
19 lous, unusually large, or high-risk portion of a payment,
20 or class of payments, pending review and resolution of an
21 agency corrective action determination under subsection
22 (a) or a corrective action order under subsection (b).

23 “(f) EXEMPTIONS FOR LAW ENFORCEMENT ACTIVI-
24 TIES.—The head of an agency, in consultation with the
25 Secretary and the Attorney General, may waive any provi-

1 sion in this section on a case-by-case basis if notified of
2 or instructed by a Federal law enforcement authority, in-
3 cluding an agency Inspector General, that the action will
4 jeopardize an active criminal investigation or legal pro-
5 ceeding related to an effort to defraud the Federal Govern-
6 ment or violate sections 3729 through 3733 of title 31
7 (commonly known as the ‘False Claims Act’).

8 “(g) LIMITATION OF LIABILITY.—No officer or em-
9 ployee of the Federal Government shall be personally liable
10 for an action taken in good faith under this section. An
11 action taken under this section may not constitute a final
12 determination of eligibility, liability, or wrongdoing on the
13 part of a payee.

14 “(h) RULE OF CONSTRUCTION FOR PROGRAM AU-
15 THORIZING STATUTE.—Nothing in this section may be
16 construed to supersede any other provision of law with re-
17 spect to any statute that authorizes the payment or pro-
18 gram the payment is made under.

19 “(i) REGULATIONS.—Not later than 180 days after
20 the date of the enactment of this section, and annually
21 thereafter, the Secretary, in consultation with the Direc-
22 tor, shall issue regulations and establish procedures to ad-
23 minister the requirements of this section that shall be pub-
24 lished in the Federal Register that, at a minimum, specify
25 the following:

1 “(1) The minimum seniority of an agency offi-
2 cial designated under subsection (a) authorized to
3 make a determination to issue a corrective action.

4 “(2) The procedures by which the Secretary of
5 the Treasury will use the Do Not Pay system under
6 section 3354 to make a determination under sub-
7 section (b) in accordance with the statutorily-defined
8 eligibility requirements or other legally-established
9 condition of a program for a payee to be eligible to
10 receive payment.

11 “(3) The procedure for an agency to dispute an
12 order to return a certified payment voucher and ap-
13 peal a related corrective action order under sub-
14 section (b) to the Fiscal Assistant Secretary, which
15 shall at a minimum include a requirement for the
16 agency to receive a response not later than five days
17 after making such a dispute or appeal to the De-
18 partment of the Treasury.

19 “(4) The minimum information requirements of
20 a notification required under subsection (d)(1).

21 “(j) DEFINITIONS.—In this section:

22 “(1) DIRECTOR.—The term ‘Director’ means
23 the Director of the Office of Management and Budg-
24 et.

1 “(2) FRAUD-RISK INDICATOR.—The term
2 ‘fraud-risk indicator’ means an objective data point
3 or analytic signal that indicates an anomalous pay-
4 ment pattern or increase in the volume of a payment
5 amount, a verified data mismatch, network or behav-
6 ioral anomaly, or match identified by the Do Not
7 Pay system under section 3354 and any payment,
8 account, or payee validation program or service ad-
9 ministered by the Secretary that would result in fi-
10 nancial loss to the Government.

11 “(3) ROUTINE, HISTORICALLY CONSISTENT
12 PAYMENT AMOUNT.—The term ‘routine, historically
13 consistent payment amount’ means a payment
14 amount that is consistent with previous payment his-
15 tory of the payee, established program use patterns,
16 or other objective benchmarks determined by the
17 certifying agency.

18 “(4) SECRETARY.—The term ‘Secretary’ means
19 the Secretary of the Treasury.”.

20 (2) TECHNICAL AND CONFORMING AMEND-
21 MENT.—The table of sections for chapter 33 of title
22 31, United States Codes, is amended by inserting
23 after the item for section 3336 the following:

“3337. Authority to pause payments for further review and corrective ac-
tion.”.

1 (b) REQUIREMENTS AND AUTHORITIES OF PAYMENT
2 DISBURSING OFFICIALS.—Paragraph (3) of section
3 3325(a) of title 31, United States Code, is amended—

4 (1) by inserting “, compliance with an order to
5 pause a payment pursuant to section 3337(b),” after
6 “except for the correctness of computations on a
7 voucher”; and

8 (2) by striking “,” and inserting a comma.

9 (c) RELIEF OF ACCOUNTABLE OFFICERS.—Section
10 3527 of title 31, United States Code, is amended—

11 (1) in subsection (a)(2), by inserting after “the
12 loss or deficiency was not the result of an illegal or
13 incorrect payment” the following: “, or was made as
14 a result of a good faith effort to comply with the re-
15 quirements of section 3337”; and

16 (2) in subsection (b)(1)(A)(ii), by inserting
17 after “the loss or deficiency was not the result of an
18 illegal or incorrect payment” the following: “, or was
19 made as a result of a good faith effort to comply
20 with the requirements of section 3337”.

21 (d) REQUIREMENTS AND AUTHORITIES OF PAYMENT
22 CERTIFYING OFFICIALS.—Subsection (a) of section 3528
23 of title 31, United States Code, is amended—

24 (1) in paragraph (4)(C), by striking “; and”
25 and inserting a semicolon;

1 (2) in paragraph (5), by striking the period at
2 the end and inserting “; and”; and

3 (3) by adding at the end the following

4 “(6) complying with an order to take a correc-
5 tive action to temporarily delay, condition, or seg-
6 ment a disbursement request pursuant to section
7 3337.”.

8 (e) RELIEF OF CERTIFYING OFFICIALS.—Subsection
9 (b)(1) of section 3528 of title 31, United States Code—

10 (1) in subparagraph (A), by striking “; or” and
11 inserting a semicolon;

12 (2) in subparagraph (B)(iii), by striking the pe-
13 riod at the end and inserting “; or”; and

14 (3) by inserting at the end the following new
15 subparagraph:

16 “(C) the certification was made as a result of
17 a good faith effort to comply with the requirements
18 of section 3337.”.

19 (f) REPORT ON RESULTS OF PAYMENTS PAUSED FOR
20 FURTHER REVIEW AND CORRECTIVE ACTION.—Not later
21 than 18 months after the date of the enactment of this
22 Act, and annually thereafter, the Secretary of the Treas-
23 ury shall submit to the Director of the Office of Manage-
24 ment and Budget, the Committees on Appropriations of
25 the Senate and the House of Representatives, the Com-

1 mittee on Homeland Security and Governmental Affairs
2 of the Senate, and the Committee on Oversight and Gov-
3 ernment Reform of the House of Representatives, a report
4 on the following:

5 (1) The total number of orders to return a cer-
6 tified payment voucher submitted to a disbursing of-
7 ficial under section 3325 of title 31, United States
8 Code, and corrective action orders issued to the head
9 of an agency under the authorities provided by sec-
10 tion 3337(b) of such title, as added by this section.

11 (2) The percentage of such payments that are
12 issued by the agency, including by successful con-
13 testations filed by the recipient or payee with the
14 agency, and recommendations to mitigate such er-
15 rors in the fraud-risk indicators of the Department
16 of the Treasury in the future.

17 (3) The total savings to the Federal Govern-
18 ment in payments determined to be fraudulent or re-
19 sult in financial loss to the Government under the
20 authorities provided by subsections (a) and (b) of
21 section 3337 of title 31, United States Code, as
22 added by this section.

23 (4) Any necessary policy, regulatory, or legisla-
24 tive recommendations related to the authorities and
25 requirements under section of section 3337 of title

1 31, United States Code, as added by this section, or
2 other relevant law.

3 (g) EFFECTIVE DATE.—The amendments made by
4 this section shall take effect 1 year after the date of the
5 enactment of this Act.

Passed the House of Representatives June 10, 2026.

Attest:

Clerk.

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