

119TH CONGRESS
2D SESSION

H. R. 9588

To require certain State officials to report fraud involving Federal funds,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 2, 2026

Mr. STAUBER (for himself, Mr. EMMER, Mr. FINSTAD, and Mrs. FISCHBACH)
introduced the following bill; which was referred to the Committee on
Oversight and Government Reform

A BILL

To require certain State officials to report fraud involving
Federal funds, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Responsibility
5 and Accountability for Unchecked Dereliction Act” or the
6 “FRAUD Act”.

7 **SEC. 2. DUTY TO REPORT FRAUD INVOLVING FEDERAL**
8 **FUNDS.**

9 (a) **REPORTING REQUIREMENT.**—Not later than 180
10 days after receiving a fraud warning involving covered

1 Federal funds, a covered official shall report such warning
2 to the Director of the Federal Bureau of Investigation.

3 (b) CONDITION OF RECEIPT OF FEDERAL FUNDS.—

4 In order to be eligible to receive Federal funds for a fiscal
5 year, the chief executive of a State shall certify to the head
6 of the Federal agency providing such funds that during
7 the previous fiscal year the covered officials of the State
8 have substantially complied with the requirement under
9 subsection (a).

10 (c) OFFENSE.—Whoever, being a covered official,
11 knowingly—

12 (1) violates the requirement under subsection
13 (a); or

14 (2) obstructs, interferes with, or impedes a
15 Federal, State, or Inspector General investigation in-
16 volving fraud involving covered Federal funds,
17 shall be fined under title 18, United States Code, impris-
18 oned for not more than 10 years, or both.

19 (d) DEBARMENT.—The head of an agency that over-
20 sees the distribution of Federal funds, with respect to
21 which a covered official has been convicted of an offense
22 under subsection (c), may prohibit such covered official
23 from overseeing the distribution of such funds.

24 **SEC. 3. RULE OF CONSTRUCTION.**

25 Nothing in this Act shall be construed to—

1 (1) authorize the Federal Government to re-
2 move a State official from elected office; or

3 (2) violate principles of federalism under the
4 Tenth Amendment to the Constitution of the United
5 States.

6 **SEC. 4. DEFINITIONS.**

7 In this Act:

8 (1) COVERED OFFICIAL.—The term “covered
9 official” means—

10 (A) the Governor of a State;

11 (B) the head of a State agency that ad-
12 ministers, oversees, distributes, or certifies ex-
13 penditures of covered Federal funds; and

14 (C) any State Inspector General, or equiv-
15 alent State official established by law, with stat-
16 utory responsibility for investigating, auditing,
17 or overseeing covered Federal funds.

18 (2) FRAUD WARNING.—The term “fraud warn-
19 ing” means a written allegation of a specific in-
20 stance of fraud involving covered Federal funds, sup-
21 ported by documentary evidence, which may include
22 a written finding, a referral, an audit, an investiga-
23 tive report, or a whistleblower complaint, alleging
24 the misuse, theft, diversion, or improper expenditure
25 of not less than \$250,000 in covered Federal funds.

1 (3) COVERED FEDERAL FUNDS.—The term
2 “covered Federal funds” means any Federal funds
3 provided to a State or State agency through a grant,
4 cooperative agreement, reimbursement program, di-
5 rect appropriation, or other Federal funding mecha-
6 nism.

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