

GAO Highlights

Highlights of [GAO-25-108412](#), a testimony before the Joint Economic Committee, U.S. Congress

Why GAO Did This Study

GAO has reported that fraud and improper payments are estimated to have cost taxpayers trillions of dollars. These issues also impact the integrity of federal programs and erode public trust. Improper payments are payments that should not have been made or that were made in the wrong amount. Fraud involves obtaining something of value through willful misrepresentation.

The advancement of AI presents both opportunities and challenges for combatting fraud and improper payments in the federal government. This testimony describes 1) actions Congress and agencies can take to combat fraud and improper payments without the use of AI, 2) opportunities and challenges for using AI to combat fraud and improper payments, and 3) workforce challenges in the use of AI in the federal government.

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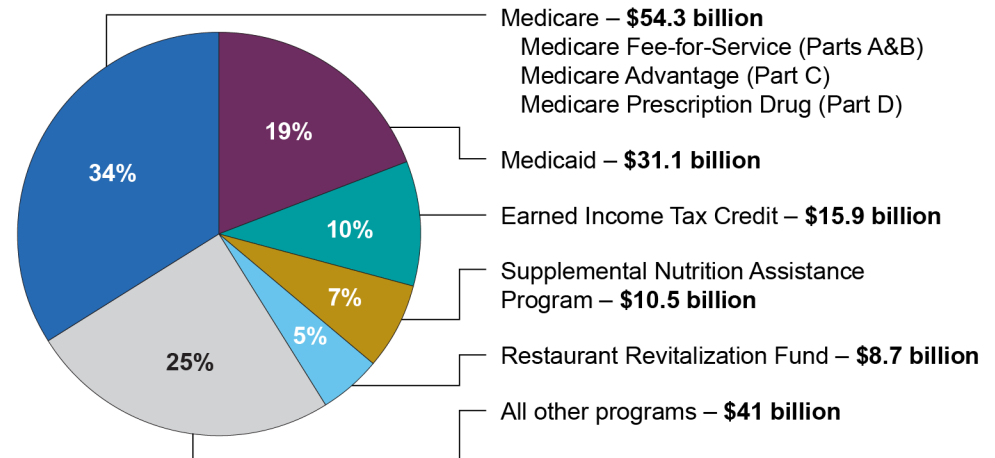
FRAUD AND IMPROPER PAYMENTS

Data Quality and a Skilled Workforce Are Essential for Unlocking the Benefits of Artificial Intelligence

What GAO Found

The federal government has many existing tools and resources to help agencies combat fraud and improper payments. GAO has recommended improvements in these areas. For example, Congress could make permanent the Social Security Administration's authority to share its full death data with the Department of the Treasury's Do Not Pay system.

Programs Reporting the Largest Percentage of Estimated Improper Payments in Fiscal Year 2024



Source: GAO (data and icons). | GAO-25-108412

Note: See full report for details of payment estimates.

Artificial intelligence (AI) and other innovative technologies have the potential to enhance efforts to combat fraud and improper payments. However, these tools require high-quality data. Introducing insufficient, unrelated, or bad data will make an AI model less reliable. A system that produces errors will also erode trust in the use of AI to detect fraud. GAO's *AI Accountability Framework for Federal Agencies and Other Entities* includes key practices for ensuring data are high-quality, reliable, and appropriate for the intended purpose. Another potential step, which GAO recommended in 2022, is to establish a permanent analytics center of excellence focused on fraud and improper payments. Should such a center be realized, it is likely that an AI-based tool would be a key component.

An AI-ready workforce is another essential requirement if the federal government is to use this tool in the fight against fraud and improper payments. For decades, however, GAO has identified mission-critical gaps in federal workforce skills and expertise in science, technology, engineering, and mathematics. More specifically, there is a severe shortage of federal staff with AI expertise. GAO has reported that improvements may be hampered by uncompetitive compensation and the lengthy federal hiring process.