

PANDEMIC RESPONSE ACCOUNTABILITY COMMITTEE

Semiannual Report to Congress

OCTOBER 1, 2025 - MARCH 31, 2026



Message from the Chair



Inspector General William W. Kirk

As Chair of the Pandemic Response Accountability Committee (PRAC), I'm pleased to share our spring 2026 Semiannual Report to Congress. I was honored to be appointed Chair of the PRAC on March 1, 2026, replacing Acting Chair Michael E. Horowitz, Inspector General of the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau. As Inspector General of the U.S. Small Business Administration (SBA), I lead an office that has seen firsthand the scale, complexity, and consequences of pandemic relief fraud. As PRAC Chair, I am committed to ensuring rigorous oversight, transparency, and accountability across the federal government so that relief funds are protected and the public's trust is upheld.

This Semiannual Report to Congress outlines the PRAC's accomplishments between October 1, 2025, and March 31, 2026 in advancing the government's ability to prevent and detect fraud in federal programs. Notable PRAC accomplishments from this reporting period:

- Following Congress' July 2025 extension of the PRAC in the One Big Beautiful Bill Act (Public Law 119-21), the PRAC issued a Strategic Plan for 2025 to 2030, which highlights our mission to promote and support fraud prevention and detection efforts across federal programs by leveraging innovation and data analytics. Of note is the objective to "demonstrate the value and effectiveness of fraud prevention." It is critical to show the clear and quantifiable benefits that result from investment in fraud prevention.
- The PRAC's collaboration with the Federal Communications Commission Office of Inspector General on two comprehensive dashboards to identify risks in the Emergency Connectivity Fund, the COVID-19 Telehealth Program, and the Emergency Broadband Benefits Program.
- The PRAC's analytic support in the investigation of Blueacorn, a fintech company that facilitated Paycheck Protection Program loans. PRAC analysts used graph analytics to identify hidden connections among borrowers, expanding the investigation from 210 to 1,596 potential subjects and increasing the estimated fraud loss from \$13.6 million to \$111.5 million. Blueacorn's two co-founders each received 10-year sentences and were ordered to pay more than \$65 million in restitution.
- The PRAC's development of an artificial intelligence-enabled "Fraud Prevention Engine" pilot, which was trained using a sample of approximately 5 million SBA COVID-19 Economic Injury Disaster Loan applications to detect potential anomalies in benefits applications. This fraud prevention tool will be used to conduct secondary screening prior to disbursement.
- The PRAC's January 2026 testimony before the U.S. House of Representatives Committee on Oversight and Government Reform, Government Operations Subcommittee, on its

responsible use of innovative data analytics tools to proactively identify anomalies, trends, patterns, and hidden connections in benefits applications.

- The PRAC's February 2026 testimony, delivered alongside me in my capacity as SBA Inspector General, to the U.S. Senate Committee on Small Business and Entrepreneurship on its work overseeing funds related to the pandemic and the One Big Beautiful Bill Act to improve fraud identification and prevention across federal programs, including those intended to help small businesses.

Thanks to the bipartisan support of Congress and collaborations with oversight partners, the PRAC has proven the benefits of having an independent data-centric entity focused on helping the oversight community and agencies in the prevention and early detection of fraud and other forms of improper payments. We look forward to continuing our efforts to support the Inspector General community in protecting taxpayer dollars from fraud, waste, and abuse.



William W. Kirk

Inspector General, U.S. Small Business Administration

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Highlights

PRAC Initiatives



**\$2.5
Billion**

in potential fraud losses identified in over 1,200 pandemic-related investigations with over 24,000 subjects



**\$262
Million**

in civil and administrative recoveries resulting from work with the Pension Benefit Guaranty Corporation Office of Inspector General



17

Offices of Inspectors General supported with custom capacity-building and training activities

PRAC Fraud Task Force



50+

Task Force Agents from 16 Offices of Inspectors General



22

Civil settlements



134

Subjects charged to date



92

Sentencings



**\$111
Million+**

in total monetary recoveries

Background

Established in March 2020 by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the PRAC is a Committee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE). Established within the executive branch by the Inspector General Act of 1978, as amended, CIGIE is an independent entity that includes more than 70 statutorily created federal Offices of Inspectors General (OIGs).

The CARES Act identifies Inspectors General (IGs) from nine agencies as statutory members of the PRAC. The Chair can designate additional IGs to serve on the Committee from any agency that receives pandemic funds or is involved in the federal government's response to the COVID pandemic. The IGs serving on the Committee continue to perform their IG duties. The PRAC is composed of 19 IGs (see PRAC Membership below). As of March 31, 2026, the PRAC is staffed by a full-time Executive Director, 25 employees, 41 contractors, and one detailee.

In July 2025, the One Big Beautiful Bill (OB BB) Act (P.L. 119-21) amended the CARES Act to extend the PRAC's sunset date until September 30, 2034, expanded the PRAC's jurisdiction to include programs funded in the OB BB Act, and appropriated \$88 million in no-year funding to the PRAC.

The PRAC promotes transparency by providing Congress and the public with objective, reliable information, and we work with OIGs to recommend program improvements, refer matters for criminal investigations, and identify misspent funds for recovery. Our reports and other resources are available at PandemicOversight.gov.

PRAC Membership

During the reporting period, the IGs of the following agencies served as members of the PRAC:

Department or Agency OIG

Department of Agriculture
Department of Defense
Department of Education
Department of the Interior
Department of Justice
Department of Health and Human Services
Department of Homeland Security
Department of Housing and Urban Development
Department of Labor
Department of the Treasury
Department of Veterans Affairs
Department of Transportation
Federal Communications Commission
Federal Deposit Insurance Corporation
Federal Reserve Board
National Science Foundation

Small Business Administration
Treasury Inspector General for Tax Administration
United States Agency for International Development
United States Postal Service

Mission and Vision

In December 2025, we released our [Strategic Plan through 2030](#). It is designed to help inform the public, Congress, and other stakeholders of the PRAC's efforts to lead innovative and transformative data-driven fraud prevention and detection efforts while embracing values of integrity, teamwork, curiosity, excellence, innovation, and objectivity. It guides PRAC team members as they deliver high-quality, impactful, independent oversight of pandemic spending and programs funded in the OBBB Act.

The plan identifies three goals to carry out our mission of promoting and supporting fraud prevention and detection efforts across federal programs by leveraging innovation and data analytics:

- Prevent and detect fraud, waste, and abuse
- Promote collaboration that enhances program integrity and protects taxpayer dollars
- Ensure effective and efficient PRAC operations

Part One—Investigating Fraud, Waste, and Abuse

Holding Wrongdoers Accountable

The PRAC Fraud Task Force is a critical investigative component in the government’s fight against fraud in federal programs. To date, our work has led to 134 subjects charged, 92 sentencings, and more than \$111 million in total monetary recoveries.

The PRAC provides law enforcement and OIG partners, as well as U.S. Attorneys’ Offices, with access to datasets, on-demand analytics, and investigative support. Our advanced analytics tools incorporate multiple pandemic program data sources to uncover suspicious network activity and identify indicators of potential fraud. These are critical assets used by law enforcement to root out issues like identity theft and fraud that cross program and agency boundaries. The collaboration among the PRAC Fraud Task Force, our data scientists, and our partners results in successful investigations leading to arrests, convictions, and sentences.

The PRAC Fraud Task Force

The PRAC Fraud Task Force brings together more than 50 agents from 16 member OIGs to: enhance our ability to coordinate investigations; exchange information about fraud schemes; and share resources that enable agents to support investigations across the IG community. This task force and other federal law enforcement agencies use our data analytics to uncover patterns, irregularities, and red flags that point to potential fraud.

PRAC Fraud Task Force Cases

Defendants Sentenced in COVID-19 Relief Fraud Scheme

On November 21 and December 18, 2025, the co-founders of a Paycheck Protection Program (PPP) lender service provider were sentenced and ordered to pay over \$65 million in combined restitution in connection with thousands of fraudulent loan applications totaling nearly \$300 million. Along with their co-conspirators, the two fabricated documents, including payroll records, tax documentation and bank statements. They also charged borrowers kickbacks based on a percentage of the funds received.

Lead PRAC TF Investigative Agency: Special Inspector General for Pandemic Recovery (SIGPR)

Other Investigative Partners: IRS-CI, Federal Reserve Board OIG, and SBA OIG

Defendant Pleaded Guilty to Unlawful Money Transactions

On March 20, 2026, a defendant pleaded guilty to fraud totaling nearly \$300,000 in both PPP and COVID-19 Economic Injury Disaster Loan (EIDL) funds. The individual made false representations regarding the business to obtain \$277,456 in loans and used those funds for personal or non-permissible expenses including obtaining a \$40,000 cashier’s check to purchase a vehicle.

Lead PRAC TF Investigative Agency: National Aeronautics and Space Administration OIG

Other Investigative Partners: IRS-CI

Defendant Pleaded Guilty to Bank Fraud and Wire Fraud

On March 10, 2026, a defendant pleaded guilty for their role in submitting at least 15 falsified PPP and COVID-19 EIDL applications to fraudulently obtain nearly \$1 million in funds, which they spent on personal expenses such as real estate, cryptocurrency, and home renovations. The defendant will be sentenced on June 25, 2026.

Lead PRAC TF Investigative Agency: U.S. Agency for International Development (USAID) OIG

Other Investigative Partners: PRAC Investigative Services

Defendants Sentenced for Unemployment Scheme

On March 6, 2026, three co-conspirators who stole more than \$650,000 from taxpayers using the personally identifying information (PII) of inmates at a prison, and others who were ineligible to receive pandemic unemployment benefits, to file false unemployment benefits claims were sentenced to prison.

Lead PRAC TF Investigative Agency: Special Inspector General for Pandemic Recovery

Other Investigative Partners: Department of Labor OIG, IRS-CI

Defendant Sentenced for Bank Fraud and False Statements

On January 23, 2026, a defendant was sentenced to four years in prison for fraudulently obtaining \$1.7 million in PPP and COVID-19 EIDL funds. The defendant falsified information regarding several businesses that were not operating and had no employees at the time of submission to the Small Business Administration (SBA). The defendant spent the funds on plastic surgery, home renovations, and family expenses.

Lead PRAC TF Investigative Agency: SIGPR

Other Investigative Partners: Federal Bureau of Investigation, Federal Deposit Insurance Corporation OIG, and PRAC Investigative Services

Defendants Indicted on One Count of Conspiracy to Commit Wire Fraud

On December 2, 2025, three defendants were arrested in connection to a case that has resulted in six convictions and restitution of \$1.7 million. The defendants were allegedly part of a scheme to obtain more than \$2 million in funds by submitting falsified documents in 119 PPP applications.

Lead PRAC TF Investigative Agency: PRAC Investigative Services

Other Investigative Partners: SBA OIG, USAID OIG, Department of Transportation OIG, Export-Import Bank of the United States OIG, Federal Trade Commission, and Mid-States Organized Crime Information Center

Part Two—Using Data and Technology to Identify Risks

The PRAC's data analytics center includes 70 data sources, with over 1 billion records from public, nonpublic, and commercial data sources, each with specific rules governing their use. Some of these data sets are shared across the OIG community. For example, we shared SBA nonpublic loan data sets with 49 OIGs and law enforcement agencies as part of our effort to combat fraud detected in the SBA's PPP and COVID-19 EIDL programs. Further, thanks to the hiring authority provided to the PRAC in the CARES Act, we have been able to attract top data science talent from across the country.

Our experience and insights highlight the value of expanding data sharing agreements to better detect and prevent fraud to protect the American public and taxpayer dollars. Our data scientists have developed risk models to help OIGs identify high-risk recipients of pandemic funds. The risk flags across various risk models also support lead generation and streamline investigative analysis. These processes help identify flags and anomalies, which are then shared with our audit and investigative partners for further review. Additionally, we have shared code and models (e.g., data transformation scripts and entity resolution code) with 17 OIGs and law enforcement agencies to help accelerate their analytics efforts. We continue to strengthen our fraud prevention capabilities through the development and enhancement of the Fraud Prevention Engine.

Some of our successes this reporting period include:

- **Completing a joint initiative with the Federal Communications Commission (FCC) OIG to develop risk models and dashboards for three key FCC pandemic relief programs, collectively totaling nearly \$11 billion in funding.**

This effort cross-correlated FCC data with our existing data sources to surface risks related to FCC entities and delivered results in interactive Power BI dashboards, enabling prioritization from highest to lowest risk. The risk model utilizes 53 risk indicators across 17 different data sources. The interactive Power BI dashboard enables investigators and auditors to identify and explore potentially risky entities in depth, enhancing the effectiveness of program oversight.

- **Leveraging the Fraud Learning and Anomaly Recognition Engine (FLARE), our machine-learning-based decision support system, to generate high-quality investigative leads for OIG and law enforcement partners.**

FLARE learns from historical examples and analyzes large-scale data to uncover relationships between individuals and/or organizations and then ranks entities and potential fraud networks by their relative fraud risk.

- **Using graph analytics to support ongoing pandemic cases for the OIG and law enforcement community with a focus on identifying potential network activity.**

This may result in an increased potential fraud amount subject to recovery and higher number of targets.

- **Conducting a follow-up analysis to our June 2025 Fraud Prevention Alert on the potential use of stolen or invalid Social Security Numbers (SSNs), focusing on those flagged as deceased.**

We shared the same sample data used in the 2025 Alert with the Department of Treasury's Do Not Pay system, and we received the date of death information for deceased individuals. Using this output, we identified the SSNs where the death occurred prior to the submission of SBA's PPP and COVID-19 EIDL applications and the Department of Labor's pandemic unemployment insurance claims. We are also using statistical modeling to estimate the total counts and dollar amounts tied to deceased individuals across the three programs.

Part Three—Promoting Collaborations to Enhance Program Integrity

The PRAC informs the public and key stakeholders of our work through regular updates to Congress and outreach that highlight how our unique vantage point allows us to share insights with oversight entities at the federal, state, local, and international level. These collaborations support congressional understanding of the PRAC’s contributions in fraud prevention and recovery of federal funds. They also demonstrate how our analytics capabilities can help agencies detect fraud risks and strengthen program integrity before funds are disbursed.

During this reporting period, PRAC Executive Director Ken Dieffenbach testified before the U.S. House of Representatives Committee on Oversight and Government Reform, Government Operations Subcommittee. Building on his [testimony in March 2025](#), Executive Director Dieffenbach updated the Subcommittee on the PRAC’s efforts in fraud prevention, detection, and mitigation, which have recovered over \$500 million in taxpayer funds to date. He shared how the PRAC’s responsible use of innovative data analytics tools can proactively identify anomalies, trends, patterns, and hidden connections in benefits applications. He also shared the PRAC’s development of its artificial intelligence-enabled Fraud Prevention Engine that can review approximately 20,000 applications per second. This proof-of-concept project can flag applications requiring additional due diligence and applications with attributes indicative of organized criminal fraud rings and newly emerging threats to program integrity. Had this model been in use in March 2020, it would have flagged potentially tens of billions of dollars in payments for further scrutiny before funds were disbursed.

Executive Director Dieffenbach also testified before the U.S. Senate Committee on Small Business and Entrepreneurship on the PRAC’s work overseeing funds related to the pandemic and OBBB Act to improve fraud identification and prevention across federal programs, including those intended to help small businesses. With the extension of the statute of limitations for PPP and COVID-19 EIDL to 2030, the PRAC continues to receive thousands of hotline tips from the public that generate leads for law enforcement investigations. Executive Director Dieffenbach urged Congress to consider extending the statute of limitations for all pandemic-related fraud from five to 10 years, given the scope of the fraud the PRAC has uncovered to date.

PRAC leadership frequently participates in capacity-building training sessions with organizations such as the Association of Certified Fraud Examiners, the National Grants Management Association, and the National Academy of Public Administration to share the PRAC’s data-driven approaches to identifying and addressing emerging fraud risks, with the goal of strengthening the collective impact of the anti-fraud and oversight communities. The PRAC continues to convene state and local auditors, as well as the Government Accountability Office and federal OIGs, to share best practices in fraud prevention and discuss emerging fraud risks, particularly to federally funded, state-run programs.

Finally, we enhanced [PandemicOversight.gov](#) to advance our Strategic Plan and strengthen public awareness of our mission to prevent improper payments and fraud in federal spending and programs. Key updates include repositioning the Home Page to highlight our data analytics capabilities, launching an Advanced Data Analytics section highlighting case studies and fraud alerts,

updating the About Us section with the 2025-2030 Strategic Plan and the new PRAC Chair, and creating dedicated areas for PRAC publications and cross-cutting reports.

Appendix A: Abbreviations and Acronyms

CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CIGIE	Council of the Inspectors General on Integrity and Efficiency
COVID-19	Novel coronavirus disease 2019
DOJ	Department of Justice
EIDL	Economic Injury Disaster Loan
FCC	Federal Communications Commission
FLARE	Fraud Learning and Anomaly Recognition Engine
IG	Inspector General
OBBB Act	One Big Beautiful Bill Act
OIG	Office of Inspector General
PPP	Paycheck Protection Program
PRAC	Pandemic Response Accountability Committee
SBA	Small Business Administration
SIGPR	Special Inspector General for Pandemic Recovery
SSNs	Social Security Numbers
USAID	U.S. Agency for International Development

Appendix B: Hotline Data

Since inception, the PRAC has received most of its hotline complaints through its [electronic complaint form](#). The PRAC's hotline provides an avenue for concerned citizens to report potential fraud, waste, abuse, and mismanagement related to the pandemic response, CARES Act, and other related legislation. During the reporting period, we received 2,229 hotline submissions, of which 896 were filed for information or not actionable. Out of the remaining hotline complaints, 825 were deemed allegations of fraud, waste, abuse, or mismanagement and 914 referrals were made to six OIGs for review and appropriate action.

For more information:

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Visit us at:

PandemicOversight.gov

Follow us at:



Report fraud, waste, abuse, or misconduct:

To report allegations of fraud, waste, abuse, or misconduct regarding pandemic relief funds or programs please go to the PRAC website at

PandemicOversight.gov.



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Council of the Inspectors General
on Integrity and Efficiency