

GAO Highlights

Highlights of [GAO-22-105397](#), a report to congressional committees.

Why GAO Did This Study

By the end of March 2022, the U.S. had about 80 million reported cases of COVID-19 and over 980,000 reported deaths, according to CDC. The country also experiences lingering economic repercussions related to the pandemic, including rising inflation and ongoing supply chain disruptions.

As of February 28, 2022 (the most recent date for which data were available), the federal government had obligated \$4.2 trillion and expended \$3.6 trillion for pandemic relief. These amounts reflect 91 and 79 percent, respectively, of the total amount of COVID-19 relief funds provided by the CARES Act and five other relief laws.

The CARES Act includes a provision for GAO to report on its ongoing monitoring and oversight efforts related to the COVID-19 pandemic. This report—GAO’s 10th comprehensive report—examines the federal government’s continued efforts to respond to, and recover from, the COVID-19 pandemic. In addition, GAO’s March 17, 2022 testimony included 10 new legislative suggestions to enhance the transparency and accountability of federal spending, which we reiterate here.

GAO reviewed federal data and documents and interviewed federal and state officials and other stakeholders.

What GAO Recommends

GAO is making 15 new recommendations for agencies and one matter for consideration by Congress that are detailed in this Highlights and in the report.

View [GAO-22-105397](#). For more information, contact Jessica Farb, (202) 512-7114 or farbj@gao.gov.

April 27, 2022

COVID-19

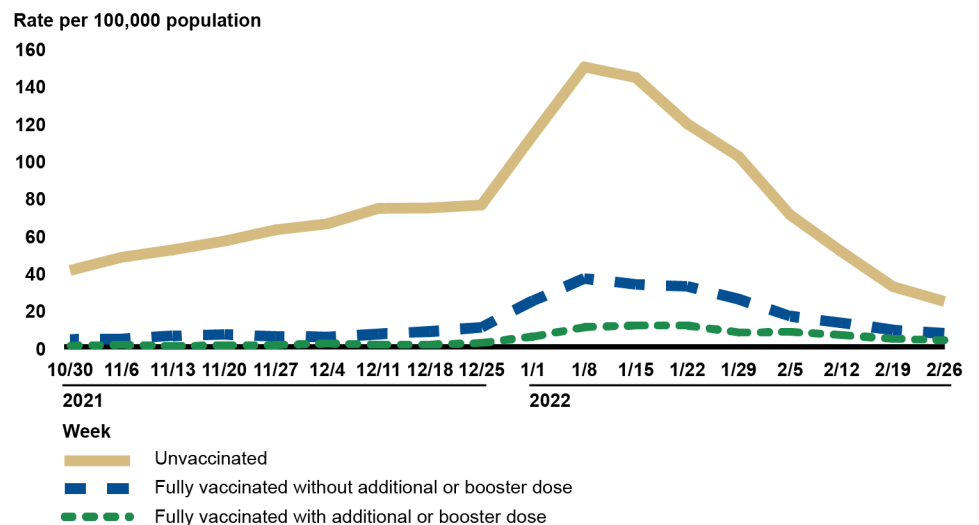
Current and Future Federal Preparedness Requires Fixes to Improve Health Data and Address Improper Payments

What GAO Found

By late March 2022, daily COVID-19 cases in the U.S. had fallen substantially since the Omicron-related peak in January 2022. Though COVID-19-associated hospitalizations and deaths have also decreased, the effects of the Omicron variant—and the rising prevalence of its new BA.2 sublineage—underscore enduring challenges and the importance of a continued, agile federal response.

This response has included a focus on COVID-19 vaccinations. As of March 26, 2022, about 70 percent of the eligible U.S. population had been fully vaccinated. According to the Centers for Disease Control and Prevention (CDC), getting vaccinated and staying up to date with vaccines—including a booster dose—is the best way to protect against COVID-19. Data show that vaccinated adults experienced lower COVID-19-associated hospitalization rates (see figure).

Age-Adjusted Rates of COVID-19-Associated Hospitalizations by Vaccination Status in Adults Aged 18 Years and Older, Oct. 2021–Feb. 2022



Source: Centers for Disease Control and Prevention (CDC). | GAO-22-105397

Since June 2020, GAO has made 279 total recommendations for improving federal pandemic operations. These recommendations include improvements in such areas as publicly reporting COVID-19 nursing home vaccination data and targeting vaccine outreach to veterans. Agencies have fully or partially addressed 39 percent of these recommendations as of March 2022, fully addressing 22 percent (61 recommendations) and partially addressing another 17 percent (48 recommendations). Fully addressing GAO’s recommendations will enhance federal COVID-19 pandemic response and recovery efforts, and help prepare for future public health emergencies.

In this report, GAO makes 15 new recommendations and raises one matter for congressional consideration in the areas of COVID-19 payment oversight, public health data collection, and critical manufacturing, among others.

Payment Integrity: COVID-19 Spending

The Payment Integrity Information Act of 2019 defines improper payments as any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. Improper payments are a pervasive and growing problem in regular programs across the federal government. They also have been a significant concern in pandemic spending, especially among the largest programs such as unemployment insurance.

Under guidance from the Office of Management and Budget (OMB), agencies are to complete a risk assessment to determine a new program’s susceptibility to significant improper payments after the first 12 months of program operations and, if susceptible, develop corrective actions and report on improper payments the following fiscal year. This means that improper payment information for new COVID-19 programs may not be reported until November 2022. By that time, agencies may have disbursed most or even all COVID-19 funds before assessing risk or developing corrective actions to address potential improper payment issues.

GAO therefore suggested in its November 2020 report that Congress consider in any future legislation appropriating COVID-19 relief funds designating all executive agency programs and activities making more than \$100 million in payments from COVID-19 relief funds as “susceptible to significant improper payment.”

GAO continues to believe that expeditiously estimating and reporting improper payments and developing corrective actions to reduce such payments is critical to agency accountability, particularly for new programs that receive large outlays in a given year. **GAO reiterates the November 2020 matter, as well as a matter GAO made in a March 2022 testimony suggesting that Congress consider amending the Payment Integrity Information Act of 2019 to designate all new executive agency programs—such as those created specifically to respond to the COVID-19 pandemic—making more than \$100 million annually in payments as “susceptible to significant improper payments” for their initial years of operation.**

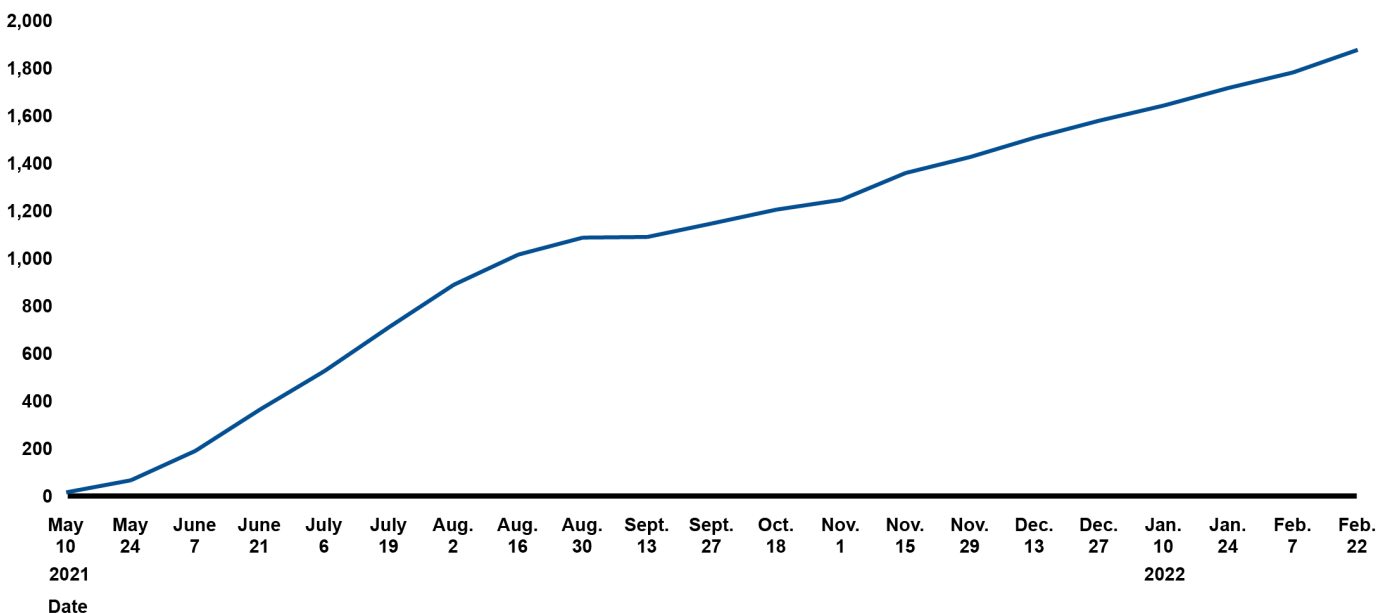
GAO also recommends that OMB require agencies to certify the reliability of submitted improper payment data. OMB neither agreed nor disagreed with this recommendation.

FEMA’s COVID-19 Funeral Assistance and Public Assistance Program

As of February 28, 2022, the Federal Emergency Management Agency (FEMA) had received and was processing more than 444,000 applications for funeral assistance since April 2021—when it began accepting applications—and awarded more than \$1.92 billion for more than 296,000 approved applications. (See figure for obligations made for COVID-19 Funeral Assistance from May 10, 2021, through February 22, 2022.)

Cumulative Obligations for FEMA Funeral Assistance over Time, May 10, 2021–Feb. 22, 2022

Dollars (in millions)



Source: GAO analysis of Federal Emergency Management Agency National Emergency Management Information System. | GAO-22-105397

However, GAO identified several gaps in FEMA's internal controls meant to prevent improper or potentially fraudulent payments, such as cases in which these controls did not prevent duplicate applications for funeral assistance or assistance issued to ineligible recipients. For example, GAO identified 374 deceased individuals that were listed on more than one award-receiving application; in total, these applications received about \$4.8 million in assistance. Without adequate controls in place, COVID-19 Funeral Assistance is at risk of improper payments and potential fraud.

GAO recommends that the FEMA Administrator take action to identify the causes of the gaps in internal control in COVID-19 Funeral Assistance and design and implement additional control activities, where needed, to prevent and detect improper payments and potential fraud.

GAO recommends that the FEMA Administrator address deficiencies in the COVID-19 Funeral Assistance data by updating data records as data are verified, and adding data fields where necessary, to ensure that consistent and accurate data are available for monitoring of potential fraud trends and identifying control deficiencies. The Department of Homeland Security (DHS) agreed with both recommendations.

COVID-19 Surveillance

CDC could be better positioned to lead and coordinate the national efforts to detect and monitor COVID-19 by including in the agency's existing surveillance approach specific objectives for how it will achieve its goals and a description of how it will assess progress toward meeting them.

CDC's COVID-19 surveillance approach outlines goals and activities for what the agency wants to achieve, but it does not detail how it will achieve its stated goals or how it will measure its progress—two components of an effective strategy GAO has noted in its past work. By including specific objectives that detail how CDC's actions will allow it to meet its goals and describing measures to assess its progress towards reaching its goals, CDC could better ensure it is able to effectively monitor COVID-19 nationwide.

GAO recommends that the Director of CDC, in coordination with state, tribal, local, and territorial jurisdictions and public health partner organizations, ensure the agency builds upon its existing COVID-19 surveillance approach by detailing specific objectives for how it will achieve its COVID-19 surveillance goals and describing how it will assess progress toward meeting them. HHS agreed with our recommendation.

Public Health Data Collection and Standardization

CDC has made progress in modernizing the U.S. public health data collection and surveillance infrastructure through its Data Modernization Initiative, which aims to improve data collection and sharing, strengthen data reporting and analytics, and advance surveillance of future public health threats, among other goals.

However, CDC's strategic implementation plan for the Data Modernization Initiative does not articulate the specific actions, time frames, and allocation of roles and responsibilities needed to achieve its objectives. In addition, CDC has not fully developed plans for how it will allocate certain funds for data modernization. Without more specific, actionable plans, CDC may not be able to gauge its progress on the initiative or achieve key results in a timely manner. In addition, such lack of progress to implement enhanced surveillance systems could affect the quality and timeliness of data needed to respond to future public health emergencies.

GAO recommends that the Director of CDC define specific action steps and time frames for the agency's data modernization efforts. HHS agreed with this recommendation.

Critical Manufacturing Sector

The pandemic has impacted the Critical Manufacturing Sector by causing worker shortages, delays in shipments of goods, and increased cybersecurity vulnerability in critical infrastructure systems and assets. The Cybersecurity and Infrastructure Security Agency (CISA)—in its role as the lead federal agency for coordinating security and resilience efforts with the Critical Manufacturing Sector on behalf of DHS—took steps to respond to the pandemic's impacts in the sector. For example, CISA developed voluntary guidance to help jurisdictions and critical infrastructure owners and operators identify essential work functions and ensure that the workers who performed those functions could continue to access their workplaces when restrictions, such as stay-at-home orders, were in place in their communities.

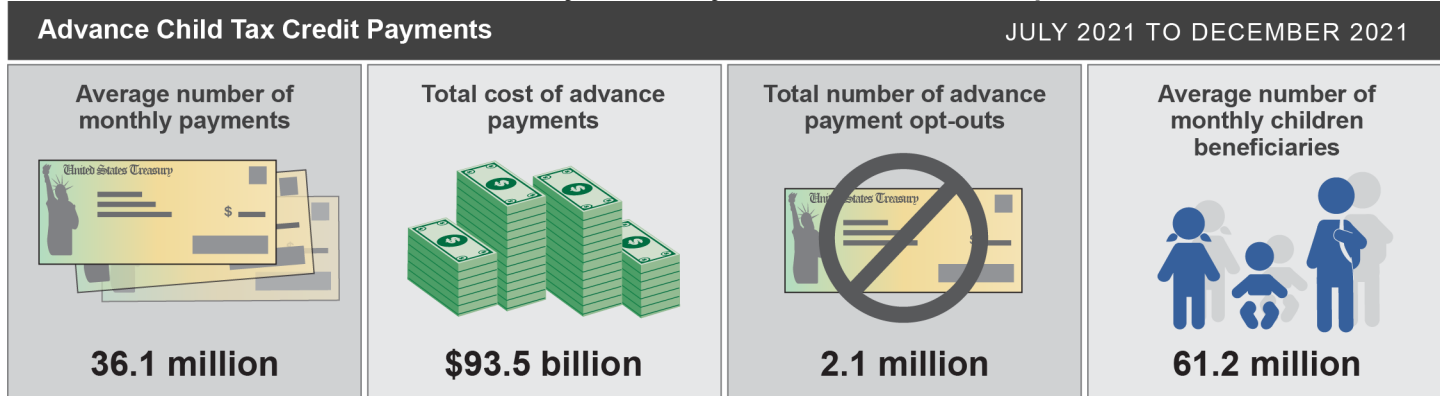
Members of the Critical Manufacturing Sector have identified a lessons-learned analysis as a high-priority need, and CISA has collected some information on the impact of the pandemic in the sector that could be leveraged in a lessons-learned analysis. However, as of February 2022, CISA had not finalized a plan for developing the analysis.

GAO recommends that the Director of CISA assess and document lessons learned from the COVID-19 pandemic’s impacts on the Critical Manufacturing Sector. DHS agreed with this recommendation and stated it plans to issue a lessons-learned report by December 2022.

Advance Child Tax Credit and Economic Impact Payments

During 2021, the Internal Revenue Service (IRS) and the Department of Treasury issued advance payments of the child tax credit (CTC) and a third round of Economic Impact Payments (EIP 3) to eligible individuals, totaling over \$500 billion. Both payments could have had implications for individuals as they filed their 2021 taxes.

Information on Advance Child Tax Credit Payments, July 2021–Dec. 2021, as of April 6, 2022



Source: GAO. | GAO-22-105397

To help individuals file accurate 2021 tax returns during the 2022 filing season, Treasury and IRS took several steps to reach out to individuals that received the advance CTC payments and EIP 3. However, Treasury and IRS missed opportunities to collaborate on these outreach efforts.

Relatedly, the communications plans and strategies IRS developed for several programs, including the advance CTC and EIP, do not include metrics for assessing the usefulness and accessibility of these outreach efforts. Such metrics would inform management of these efforts and help focus resources on what works. Without sufficient, relevant, timely, and comparable data on its outreach efforts, IRS is missing information it could use to develop performance metrics and to assess which aspects of their communications and outreach strategy were effective in reaching different audiences.

GAO is making three recommendations for Treasury and IRS to enhance communication and outreach efforts concerning the refundable tax credit. These recommendations focus on improving collaboration between the agencies and within IRS and on using data to assess the effectiveness of their efforts. Treasury and IRS neither agreed nor disagreed with the recommendations.

This report contains additional recommendations related to the Single Audit Compliance Supplement, the Capital Projects Fund, the Homeowner Assistance Fund, and Public Health Industrial Base Expansion. For example, **GAO recommends that the Assistant Secretary for Preparedness and Response within HHS conduct a workforce assessment of its Innovation and Industrial Base Expansion Program Office to determine the critical skills and competencies needed to support and sustain the office, and develop corresponding workforce strategies to address those needs.** HHS agreed with this recommendation.