Selected Programs Did Not Fully Include Identified Practices to Enhance Oversight and Fraud Prevention

What GAO Found

GAO identified nine requirements and leading practices to oversee and prevent fraud, waste, and abuse in awards, including grants, contracts, and loans. As shown in the table, the Federal Communications Commission's Universal Service Program for Schools and Libraries had documented procedures for all nine. GAO found that the other four selected programs—the Department of Commerce's CHIPS for America Fund, Environmental Protection Agency's Greenhouse Gas Reduction Fund (now repealed), Department of Health and Human Services' Health Center Program, and Department of Energy's Regional Clean Hydrogen Hubs—did not always incorporate these requirements and leading practices in their documented policies and procedures.

GAO Assessment of Agencies' Design of Selected Requirements and Leading Practices for Selected Programs

Selected requirements and leading practices[a]	Universal Service Program for Schools and Libraries	CHIPS for America Fund	Greenhouse Gas Reduction Fund[b]	Health Center Program	Regional Clean Hydrogen Hubs
1. Dedicated entity to lead fraud management activities	●	●	●	●	●
2. Senior Management Council to assess and monitor deficiencies in internal control	●	●	○	●	●
3. Maintain agencywide and program-specific risk profiles	●	●	●	○	◑
4. Assess program specific risks, including fraud	●	●	●	◑	○
5. Determine risk responses and document an antifraud strategy	●	●	●	◑	○
6. Implement specific control activities to prevent and detect fraud	●	●	●	●	●
7. Establish collaborative relationships with stakeholders and create incentives to help ensure effective implementation of the antifraud strategy	●	●	●	●	○
8. Conduct risk-based monitoring and evaluate all components of the Fraud Risk Framework	●	●	◑	◑	○
9. Evaluate audits, including recovery audits and single audits	●	○	●	●	●

● Fully met ◑ Partially met ○ Not met

Source: GAO. | GAO-26-107444

[a]GAO identified leading practices and requirements from key guidance documents that it deemed most relevant for oversight of awards.

[b]This program was statutorily repealed. Pub. L. No. 119-21, § 60002, 139 Stat. 72, 154 (July 4, 2025).

Until agencies establish, document, and implement procedures to fully address these requirements and leading practices, the programs will continue to face increased risks of fraud, waste, and abuse.

Why GAO Did This Study

Proactively managing payment integrity risks is especially important for programs on which agencies expect to spend a large amount of funds. The Infrastructure Investment and Jobs Act, Inflation Reduction Act of 2022, and CHIPS and Science Act provided the five agencies in GAO's review about $227 billion to support their federal programs, including those administering awards of federal financial assistance such as grants.

GAO was asked to review agencies' oversight of federal awards to prevent fraud, waste, and abuse. This report examines (1) what requirements and leading practices agencies can use to prevent fraud, waste, and abuse of federal awards and (2) the extent to which selected programs had policies and procedures that included these to oversee federal awards to help address financial payment and fraud risks.

GAO identified legal requirements and leading practices based on guidance documents for overseeing federal award programs and preventing fraud, waste, and abuse in federal awards. GAO selected five programs based on funding, among other factors, and evaluated whether agencies established policies and procedures for the five selected programs that included those requirements and leading practices.

What GAO Recommends

GAO is making 12 recommendations to four of the selected agencies to include the identified requirements and leading practices in their policies and procedures. All agencies except Commerce concurred with the recommendations, as discussed in the report.