



# U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS  
1139 LONGWORTH HOUSE OFFICE BUILDING  
Washington, DC 20515

June 15, 2023

The Honorable Xavier Becerra  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Dear Secretary Becerra,

We write to request information regarding the Department of Health and Human Services (HHS) oversight actions and efforts to promote accountability and safeguard non-assistance funds in the Temporary Assistance for Needy Families (TANF) program as authorized in Section 409(a) of the Social Security Act.

Taxpayers and low-income families deserve clear answers about how social safety net programs operate to alleviate poverty and help people in need take steps on the path to self-sufficiency. Nationally, 78 percent of the TANF block grant is spent on non-assistance and 22 percent is spent on basic assistance. Non-assistance spending is almost wholly at the discretion of the state. Unfortunately, rampant state misuse of TANF non-assistance funds harms our efforts to help families across the country.

A series of headlines from Mississippi has drawn national attention to the vulnerability of TANF. The state's auditor has flagged at least \$77 million in misused funds from Mississippi's TANF program from 2017 to 2020, resulting in charges against multiple state officials.<sup>1</sup> Press reports indicate misuse of TANF non-assistance dollars in Mississippi was initially uncovered on account of a state auditor's report conducted pursuant to federal requirements.

The Mississippi case is emblematic of a larger systemic problem: TANF non-assistance dollars lack necessary guardrails making it susceptible to fraud and abuse.<sup>2</sup> Since its enactment in 1996, states have found loopholes that allow re-direction of TANF non-assistance funds in ways that are loosely related to lifting people out of poverty and many states have used federal TANF non-assistance funds to fill state budget gaps.

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<sup>1</sup> "Auditor's Office Questions Over \$90 Million in Spending of Welfare Grants and Other Funds," Mississippi Office of the State Auditor, May 4, 2020.

<sup>2</sup> *Welfare Scandal Highlights Need to Hold Washington Accountable*, Committee on Ways and Means Republicans, Oct. 3, 2022.

Today there is growing consensus on the need for accountability reforms related to TANF non-assistance spending. Committee Republicans have been fighting to reform TANF since 2018 to restore accountability, prevent fraud and protect taxpayers. Congress was able to strengthen work requirements in the direct assistance portion of the TANF program as part of the bipartisan *Fiscal Responsibility Act* (P.L. 118-5), but we must also now look at the non-assistance side.

President Biden's proposed budget for Fiscal Year 2024 proposed new statutory authority to collect more comprehensive data on TANF to improve monitoring of non-assistance expenditures and activities, including to develop an improper payment rate for TANF, as required by the Payment Integrity Information Act of 2019.<sup>3</sup> Likewise, the HHS Administration for Children and Families has indicated in its regulatory agenda proposed rulemaking to "strengthen TANF as a safety net, make changes to allowable uses of TANF funds, and reduce administrative burden."<sup>4</sup>

TANF is just one of more than 80 federal programs designed to fight poverty. American taxpayers spend more than a trillion dollars every year to provide benefits and services to low-income families. It's critical we ensure that hard-earned tax dollars are being spent to achieve their intended purpose.

During testimony before our Committee, you said you would welcome the opportunity to work with Congress on TANF reauthorization and reforms.<sup>5</sup> In light of recently uncovered abuses, we ask that your Department engage with Congress to strengthen TANF non-assistance spending so it can achieve its stated purposes instead of lining the pockets of people who need no assistance from the federal government.

In order to understand the Department's process for monitoring states, uncovering fraud, and overseeing TANF non-assistance funds, we request that you provide written responses to the questions below no later than **Wednesday, June 21, 2023**.

- Has HHS taken any corrective action or provided technical assistance to respond to the Mississippi state auditor's 2020 report and allegations?
- How has TANF's broad use of funds policy contributed to this misuse of funds?
- What oversight tools does the Department have at its disposal to monitor use of non-assistance funds in the TANF program, particularly when fraud is identified?
- Are audits under chapter 75 of title 31 of the U.S. Code sufficient to uncover gross abuses of TANF non-assistance funds?
- To what extent have states been found to misuse TANF non-assistance funds under Section 409(a)(1) and subject to penalty over the past 25 years?
- Are there examples of state non-assistance spending that have been challenged or questioned by HHS as not meeting one of the four statutory purposes in Section 401?

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<sup>3</sup> <https://www.acf.hhs.gov/sites/default/files/documents/olab/fy-2024-congressional-justification.pdf>.


<sup>4</sup> <https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202210&RIN=0970-AC97>.

<sup>5</sup> "Hearing on the President's Proposed Fiscal Year 2023 Budget," Committee on Ways and Means, April 2022.

- Why does the Department not have processes in place to measure and report the amount of improper payments in the TANF program?
- Has HHS conducted a systematic review to identify areas of fiscal, administrative, or programmatic weaknesses in the TANF program related to non-assistance spending? If so, what are those?


Thank you for your assistance with this request and attention to this matter. Please direct all correspondence and questions to [Ben.Hobbs@mail.house.gov](mailto:Ben.Hobbs@mail.house.gov).

Sincerely,



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Jason Smith  
Chairman  
Committee on Ways and Means



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Darin LaHood  
Chairman  
Subcommittee on Work and Welfare



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Vern Buchanan  
Member of Congress



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Adrian Smith  
Member of Congress



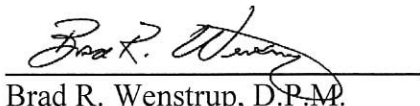
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Mike Kelly  
Member of Congress




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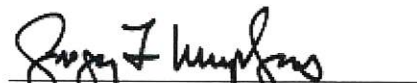
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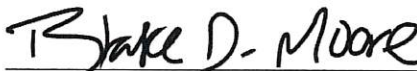
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Member of Congress



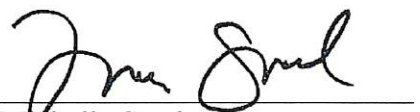
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