



Fact Sheet: Increase Federal Spending Transparency

The Problem

The federal government spends trillions of dollars in taxpayer money every year, and recent investments in infrastructure and pandemic recovery have increased an already large amount of money flowing from the government into our communities. But guardrails against fraud aren't always implemented before the government awards funds, opening the door for fraudsters to take advantage and waste government money. After federal money goes out the door, it's essential to have transparency into where, how, and to whom this money flows to better identify sources of corruption and abuse of power. Yet incomplete, inaccurate, and missing data mar the utility of USAspending.gov, which Congress created to be the official open data source for this information.

The complex nature of federal spending makes problems difficult to address. Guardrails and required oversight on government spending can vary by award package, and execution is up to the agencies awarding funds. USAspending.gov has several inputs and outputs managed by various agencies — including the Office of Management and Budget (OMB), the General Services Administration, and the Department of the Treasury — and it lacks a clear central authority to require improvements or hold agencies accountable for data quality or completeness.¹ When considering who's responsible for the data on USAspending.gov, it can seem like the buck stops nowhere.

The Solution

There are many changes the executive branch could make to minimize waste, fraud, and abuse in federal spending without congressional directive. But specific legislation targeting spending guardrails and transparency, as well as increased resources for the agencies running USAspending.gov, are necessary to ensure our taxpayer dollars are being spent as Congress intended.

¹ Government Accountability Office, Federal Spending Transparency: Opportunities to Improve USAspending.gov data, GAO-24-106214 (2023), 4, <https://www.gao.gov/assets/d24106214.pdf>; Government Accountability Office, *Federal Spending Transparency: Opportunities Exist to Improve COVID-19 and Other Grant Subaward Data on USAspending.gov*, GAO-24-106237, 9-14, <https://www.gao.gov/products/gao-24-106237>.

Strengthen Guardrails Against Fraud

- Require consultation with the Treasury Department's Do Not Pay list before money is distributed.
- Establish standard procedures to verify the identity and basic information of potential recipients.
- Ensure funding for inspectors general is adequate and keeps pace with any major federal spending increases.

Improve Data Accuracy

- Establish guidelines for award descriptions.
- Standardize the definition of a "program."

Collect Missing Data

- Fix subaward reporting.
- Improve award location.
- Publish complete award documentation.
- Clarify which agencies need to report data.
- Use disaster event codes consistently.

Track New Data

- Collect jobs data.
- Collect the same data for contract and non-contract award spending.
- Expand subaward reporting beyond the first tier.
- Report private lender data.
- Report on tax expenditures.

Increase Accountability

- Assign one agency primary responsibility for data completeness and accuracy on USAspending.gov.
- Task an agency to create a public scorecard evaluating data completeness and accuracy on USAspending.gov.

Contact

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