About the Pandemic Analytics Center of Excellence (PACE)

The PACE is an affordable, flexible, and scalable analytics platform that delivers analytic, audit, and investigative support to the oversight community through a variety of tools.

With $5 trillion in pandemic funding to oversee and widespread fraud reported across multiple relief programs, the PACE was established to help the oversight community and federal agencies identify potential improper payments and fraud. We combine public, non-public, and commercial data in a secure platform with a suite of enhanced analytic tools so it can be shared with our oversight partners to find fraud. Our four foundational pillars of the PACE are: sharing data, tools, and services; promoting leading practices; conducting data analysis and visualization; and providing investigative support to the oversight and law enforcement community.

Learn more about us by watching this video about the PACE.

In 2021, Congress appropriated funds that allowed the Pandemic Response Accountability Committee (PRAC) to build the PACE. In standing up the PACE, the PRAC's goal was to build an affordable, flexible, and scalable analytics platform that can support the oversight and law enforcement communities during their pandemic-related work and beyond as we approach the organization's sunset date in September 2025. The PACE has adopted a Center of Excellence operating model to fight fraud and act as an accelerator for Offices of Inspectors General (OIGs) regardless of their size or current analytic capability. Modeled after the Recovery Operations Center (ROC) that sunset in 2015, the PACE is a shared analytic center that supports OIGs' and agencies' ability to conduct oversight with a unique focus on detecting fraud and improper payments.

The PACE by the numbers

Placed **28 data scientists at 15 OIGs to date**

Supported **47 OIG and federal law enforcement agencies** on pandemic-related investigations

Detailed more than **50 investigators** across **16 agencies** working together to fight pandemic fraud

Developed **six risk scoring models** using **101 fraud indicators** to assess tens of millions of transactions and entities and flag them for deeper analysis

Established Memoranda of Understanding with **more than 40 OIGs and law enforcement agencies**

The PACE uses data to identify fraud, waste, and abuse of pandemic relief programs

We have built a data analytics center that, to date, has 59 datasets, providing access to more than 1.6 billion records from public, non-public, and commercial data sources, each of which has specific rules governing their use. Using advanced analytic tools, data scientists identify flags and anomalies indicating fraud and improper payments, which they refer to the PRAC Fraud Task Force, OIGs, and select law enforcement officials for investigation. To date, the PACE has examined fraud schemes and controls weaknesses, including **identity-based fraud, income misrepresentation, multi-dipping across programs, improper payment, and eligibility misrepresentation.**

> **PACE detects potential identity fraud and other fraud across program boundaries:** PACE data scientists used a **multi-tiered data matching process** to identify potential identity or other fraud related to or involving 945 minors and 231 elderly individuals in the Small Business Administration's (SBA) COVID-19 Economic Injury Disaster Loan (EIDL) program, COVID-19 EIDL Advance program, and Paycheck Protection Program (PPP). We urged SBA to further examine the potential identity fraud using their verification methods and to take appropriate action by routing each individual through the identity theft validation process.

The PACE supports investigations

As of March 2024, the PACE has provided investigative support to 47 federal law enforcement and OIG partners on 783 pandemic-related investigations with nearly 10,000 subjects and an estimated fraud loss of $2.03 billion.

783
investigations

10,000
subjects

$2.03B
fraud loss

PACE data scientists apply the latest advances in analytic and forensic technologies in collaboration with the PRAC Fraud Task Force, helping OIGs and law enforcement pursue data-driven investigations related to pandemic relief fraud. **As of March 2024, the PRAC Fraud Task Force has charged 69 defendants and assisted the federal government in recovering over $15 million in restitution, seizures, forfeitures, civil settlements, and voluntary repayments.**

Case highlight: In a PRAC Fraud Task Force indictment, a Massachusetts couple was charged with fraudulently obtaining $2 million in pandemic relief funds for their roofing company. They allegedly transferred $1 million to their shared personal bank account and used $825,000 for a down payment on a house.

Case highlight: In New York, a judge delivered a 25-year sentence to a recidivist fraudster who stole over $1 million in pandemic relief funds. He and his co-conspirator, who received a nine-year sentence, used stolen identities, sham tax records, and corporate documents to successfully obtain the PPP and COVID-19 EIDL funds. The pair submitted a total of 14 fraudulent loans attempting to obtain over $10 million. **This was the first PRAC Fraud Task Force case to go to trial.**

The PACE provides lasting insights

In January 2023, we issued a **Fraud Alert** identifying the use of more than 69,000 questionable Social Security Numbers (SSNs) to obtain **$5.4 billion in pandemic relief loans and grants.** In May 2023, PRAC data scientists found **$38 million in potentially improper or fraudulent loans obtained using the SSNs of deceased individuals.** This update to the Fraud Alert highlighted the potential benefits of using the Department of Treasury's (Treasury) Do Not Pay (DNP) system. The results show that **improved government information-sharing, effective internal controls, and use of the DNP system** would strengthen program integrity and better protect taxpayers. Furthermore, **data matching** is a tool that helps detect and prevent improper payments. If the PACE had been in place at the outset of the pandemic, it would have been able to do this critical work upfront before payments were made to prevent improper payments and fraud.

Case Studies:

Treasury OIG:

PACE data scientists used Coronavirus Relief Fund (CRF) data and other third-party datasets to create a **risk scoring model** that rates CARES Act state and local spending. The CRF Risk Model dashboard is now available to 73 Treasury OIG employees. We have also shared the entity resolution scripts with eight OIGs and the Government Accountability Office for their own data analytics work in pandemic programs across the government.

SBA OIG:

PACE data scientists developed a system that helped SBA OIG efficiently respond to hotline complaints, which increased 19,500 percent in volume in the first year after the PPP and COVID-19 EIDL programs began. The system **applied risk scores**, flagging complaints with the highest probability of fraud.

Pension Benefit Guaranty Corporation (PBGC) OIG:

PACE data scientists assisted the PBGC OIG in identifying misrepresentations in pension plan assistance applications. Our data scientists ingested 12+ years of data to **establish trends, detect anomalies, and identify misrepresentation of facts** in applications. We leveraged analytic techniques including **outlier detection and regression analysis** to detect abnormal plan attributes when compared to historic code drivers and other similar plans. We developed a **predictive risk model and pattern discovery techniques** to identify overpayments of Special Financial Assistance funds. This risk model also supported a case in which the U.S. Department of Justice negotiated a $127 million settlement agreement with a pension fund related to an overpayment.

Considerations for Congress

It is critical that Congress consider legislation to sustain the PRAC's data analytics center beyond its scheduled sunset date of September 30, 2025, and expand its jurisdiction beyond pandemic relief funds to ensure the Inspector General community has the capability to effectively oversee federal spending. Such a platform previously existed when Congress created the Recovery and Accountability Transparency (RAT) Board and appropriated more than $175 million to support its operations, including the creation of its data analytics platform, the ROC. Despite being highly effective and widely praised, the absence of administration and congressional action meant that the ROC ceased to exist on September 30, 2015, when the RAT Board sunset.

As a result, when the pandemic hit in March 2020, there was no data analytics platform available to assist the PRAC in our oversight work and to support Inspectors General in the critical first year of agencies disbursing billions of dollars in relief funds. In 2021, Congress appropriated funds that allowed the PRAC to build the PACE, leveraging leading practices and lessons learned from the ROC.

The return on this investment could not be clearer. The PRAC's January 2023 Fraud Alert identified $5.4 billion in potential fraud, which is 360 times the annual cost of operating the PACE. A sustained, self-service data analytics platform would benefit all OIGs and would provide partners access to federal spending data, analytic solutions, law enforcement intelligence capabilities, and audit research and investigative tips and leads.

The sustainment of the PACE and its capabilities will ensure that the federal government is equipped with resources to face avoidable risks when overseeing emergency relief funding and funding that Congress appropriates annually. In light of the PRAC's scheduled statutory sunset in September 2025, we urge Congress to pass legislation maintaining this good government initiative by expanding the scope of where we can help fight fraud, waste, and abuse.

The PRAC recognizes the key role that bipartisan efforts of both House and Senate committees have played in advancing government transparency and program integrity. We will continue to use every tool Congress makes available to oversee the use of taxpayer dollars and hold wrongdoers accountable.

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