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NEW REPORT SHEDS LIGHT ON CITIZENS STEALING FROM THE GOVERNMENT – POINTS TO $162 BILLION FRAUD SAVINGS OPPORTUNITY

HHS and IRS main targets in scams costing America $300 Billion annually

Alexandria, Va., March 23, 2015 – MeriTalk, a public-private partnership focused on improving the outcomes of government IT, today announced the results of its new report, "Stealing from Uncle Sam," sponsored by EMC Corporation. According to the Department of Defense (DoD), Institute of Medicine and House Health Subcommittee, and Journal of the American Medical Association (JAMA), the Federal government loses over $300 billion annually to fraud, waste, and abuse. The Federal big data, executive management, and Inspector General audience at the MeriTalk Stealing from Uncle Sam conference identified $162 billion in savings opportunities could be achieved through successful deployment of data analytics. Disappointingly, just 15 percent of these executives assert that their agencies have fully deployed analytics to fight fraud.

Over half (59 percent) of Feds in the MeriTalk survey say their agency is the victim of some kind of citizen fraud at least daily. Nearly three-quarters (73 percent) say their agency is targeted by fraudsters at least weekly. According to government experts, fraudsters are using identity theft, falsification of financial records, and other scams to get their hands on money from the government and taxpayers, and it's working.

In 2010, the Medicare program paid out an estimated $48 billion in improper payments, according to the U.S. Government Accountability Office. In just the past few years, Social Security paid $133 million to dead beneficiaries. The Internal Revenue Service (IRS) paid an estimated $5.8 billion in fraudulent tax returns across nearly three million fraudulent tax refunds in the 2014 filing season. Some scammers file numerous tax returns in a day. The IRS reportedly sent $46 million in refunds to "unauthorized" workers at one Atlanta address.

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When will the scammers be stopped? Agencies are facing challenges as they try to combat fraud and improper payments. According to the MeriTalk report, primary challenges include:

➢ Combining data from different sources – 48 percent

➢ Combing through large amounts of data – 46 percent

➢ Employing workforces with the skills necessary to combat fraud, waste, and abuse – 46 percent

"Don't be penny wise and dollar foolish," said Marshall Presser, Federal Field Chief Technology Officer, Pivotal. "A lot of anti-fraud projects ultimately will pay for themselves. Enabling interagency cooperation and intra-agency cooperation is key – some people don't want to dilute their power by sharing their data. But, being proactive and examining the origins of fraud can help greatly."

Utilizing the analytical advantage can help agencies catch up. More agencies need to take action. Yet, according to the MeriTalk report, 42 percent of agencies are not even employing offensive tactics to proactivity tackle fraud, waste, and abuse. However, they are aware of the need for improvement; the report tells us 57 percent of Feds say their agency considers preventing fraud and improper payments as one of its top three priorities.

"The numbers tell their own story," stated Steve O'Keeffe, founder, MeriTalk. "Why pay your taxes when crooks are stealing your deposits? We're all for helping the sick and elderly – but unless we get a grip on fraud, ACA's DOA. These are taxing problems that impact the health of our society. We need to act now."

 "Stealing from Uncle Sam" is based on an in-person survey of 72 Federal IT executives in November 2014. The report has a margin of error of +/- 11.53 percent at a 95 percent confidence level. To download the full study, please visit: http://www.meritalk.com/stealing-from-uncle-sam.php.

About MeriTalk

The voice of tomorrow's government today, MeriTalk is a public-private partnership focused on improving the outcomes of government IT. Focusing on government's hot-button issues, MeriTalk hosts Big Data Exchange, Cloud Computing Exchange, Cyber Security Exchange,

Data Center Exchange, and Mobile Work Exchange – platforms dedicated to supporting public-private dialogue and collaboration. MeriTalk connects with an audience of 85,000 government community contacts. For more information, visit www.meritalk.com or follow us on Twitter, @meritalk. MeriTalk is a 300Brand organization.

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