

Congress of the United States
House of Representatives
Washington, DC 20515-0503

Ms. Orice Williams Brown
United States Government Accountability Office
Acting Comptroller General
441 G Street, NW
Washington, D.C., 20226

February 3, 2026

Dear Comptroller General Brown,

One of Congress' most crucial duties is to steward public funds by ensuring they are spent in accordance with the law and not siphoned off by criminals. Unfortunately, several high-profile incidents of fraud in recent years have shown the inability of some states to adequately protect public money. In particular, California has had difficulty stopping fraudsters who steal benefits destined for the most vulnerable among us. To gain a greater understanding of the impact this theft has on Californians and the nation, I ask that GAO conduct a study on the amount of waste, fraud, and abuse California has fallen victim to.

While fraud amounting to hundreds of millions of dollars in Minneapolis has recently garnered public attention, it still pales in comparison to the fraud perpetrated in California. During the COVID-19 pandemic, Lexus Nexus estimated state unemployment fraud reached \$32.6 billion.¹ Unemployed Californians had their benefits stolen and taxpayers were taxed to fund criminals. The state's effort to aid the homeless is also riddled with waste and fraud. The state auditor examined spending on programs to reduce homelessness between 2019 and 2024. Despite \$24 billion in spending, the number of homeless increased by 30,000 during that period and no grant recipients provided metrics that demonstrated any sort of progress.² This prevents the state government and the public from knowing how money is being spent and if specific programs are effective and worthy of continued funding. San Francisco non-profit workers have been charged with theft of public funds intended for homeless seniors and real estate executives in Los Angeles have been charged with stealing \$50 million from a variety of homeless programs.^{3 4} Theft of public money is not just confined to non-profits in California; even an Orange County judge was convicted of mail fraud for stealing from a worker's compensation program.⁵

¹ [NPR](#)

² [CA Auditor](#)

³ [Fox](#)

⁴ [San Francisco Standard](#)

⁵ [KTLA](#)

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HOUSE COMMITTEE ON EDUCATION
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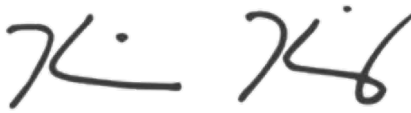
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TRANSPORTATION &
INFRASTRUCTURE

Due to the widespread nature of theft involving public money in California, we urgently need more information to develop an effective anti-fraud strategy. To accomplish this, I ask GAO to provide:

- 1) how much money in total was publicly reported as lost to waste, fraud, and abuse in California since 2016.
- 2) a breakdown of fraud by economic sector (transportation, health care, housing, law enforcement, etc.).
- 3) who the perpetrators of fraud are (grantees or subgrantees).
- 4) what stolen funds are spent on.
- 5) Using California as a case study, what steps can the federal government take to reduce the most common frauds perpetrated against taxpayers?

Sincerely,



Kevin Kiley
Member of Congress