New Law Targets Payments to the Deceased But Investigations Suggest a Larger Fraud Issue

March 29, 2026 - A newly signed federal law aimed at stopping government payments to deceased individuals is being presented as a step toward reducing waste and fraud. But when viewed alongside ongoing investigations and reporting, the measure addresses only a small portion of a much broader issue affecting taxpayer-funded programs. The legislation, called the Ending Improper Payments to Deceased People Act was sponsored by Senator John Kennedy (R-LA) and signed by President Trump. It is designed to prevent federal agencies from continuing to send entitlement payments after a recipient has died. According to the official Senate release the law strengthens requirements for agencies to use death records and improve data matching across systems.

The problem it targets is well documented. Improper payments to deceased individuals have cost taxpayers billions of dollars, often due to outdated records and poor coordination between agencies. By requiring better use of death data, the law aims to close one of the most straightforward gaps in federal payment systems.

However, this type of fraud is widely considered one of the simplest to detect and prevent. More complex schemes - involving active participants, coordinated networks, and fabricated entities - present a far greater challenge. The true scale of fraud tied to government programs may be significantly larger than publicly reported.

Federal investigations appear to support the idea that fraud is not limited to isolated incidents.

Investigative journalism is playing a role in bringing attention to these weaknesses, and may very well lead to prosecutions for those involved.

According to CBS News authorities are expanding investigations into organized fraud networks across multiple states. These cases often involve coordinated efforts to exploit public benefit programs, including pandemic-era funding, with multiple participants working together to submit fraudulent claims. The structure of these schemes suggests a level of organization that goes beyond simple administrative errors. Instead, investigators are increasingly encountering multinational networks that identify and exploit weaknesses in eligibility verification and payment systems.

Independent journalist Nick Shirley has documented locations that appear inconsistent with the level of funding they reportedly receive, including childcare and healthcare-related facilities. His reporting highlights cases where physical sites appear inactive or mismatched with billing activity, raising questions about how funds are being distributed and monitored. Most recently his focus has been on Minnesota and California, but the issues he is uncovering are national in scope.

This type of reporting does not establish legal conclusions on its own, but it can surface patterns that align with broader concerns identified in federal investigations. When combined with public attention and existing oversight gaps, such findings can contribute to increased scrutiny and further investigation by federal law enforcement agencies.

Beyond the newly signed law, federal agencies and lawmakers have been pursuing additional efforts to address entitlement fraud more broadly. These include expanding resources for inspectors general, increasing the use of data analytics to detect suspicious activity, and proposing stronger identity verification requirements for benefit programs. There is a growing realization by the general public that fraud prevention requires systemic improvements, not just targeted fixes. And that is placing pressure on elected officials at all levels of government.

The new law targeting payments to deceased individuals represents a clear and measurable step. But in the context of expanding investigations and warnings about underreported fraud, it may address only one part of a much larger and more complex problem.

For tax payers, the impact is indirect but meaningful. Large-scale fraud ultimately affects taxpayer burdens, the stability of public programs, and confidence in how government funds are managed.

by Jim Malmberg
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