

Preventing Rip-offs and Obtaining Oversight of Funds Act (H.R.10326)

Bill Text: [H.R.10326](#)

Sponsor: Rep. Jeff Van Drew (R-NJ)

Introduced: September 10, 2026

Overview

The Preventing Rip-offs and Obtaining Oversight of Funds Act (PROOF Act) would establish a federal framework for information sharing between state agencies and the Department of Justice to support investigations and prosecutions involving fraud in a variety of federally funded programs. The legislation would require states to provide certain records to the Attorney General upon request, establish privacy and security safeguards governing the use of the information, and create annual reporting requirements related to the implementation of the law.

Section 2. Authorization for Information Sharing and Access

The bill would require state agencies administering specified federal or federally funded programs to provide information requested by the Attorney General for purposes of investigating or prosecuting alleged fraud. Requests would be required to be made in writing and could be directed to the state agency responsible for administering the applicable program.

Covered Programs

The legislation applies to a broad range of federal and state-administered programs, including:

- Medicaid;
- Supplemental Nutrition Assistance Program (SNAP);
- Temporary Assistance for Needy Families (TANF);
- State unemployment compensation programs;
- Coronavirus Relief Fund;
- Coronavirus State and Local Fiscal Recovery Funds;
- Emergency Rental Assistance programs;
- Elementary and Secondary School Emergency Relief (ESSER) funds;
- Broadband Equity, Access, and Deployment (BEAD) Program;
- Community Development Block Grant (CDBG) Program;
- FEMA Public Assistance and Hazard Mitigation Grant Programs;
- State Small Business Credit Initiative (SSBCI); and
- Other state-administered programs identified by the Attorney General as vulnerable to fraud.

Information Subject to Disclosure

State agencies would be required to provide information including:

- Identity verification records;
- Benefit disbursement logs;
- Provider billing statements;
- Demographic information directly related to an active fraud investigation; and
- Other information deemed appropriate by the Attorney General for investigating or prosecuting alleged fraud.

Potential Impact

The bill would significantly expand the federal government's ability to obtain program data from states for fraud investigations. For healthcare stakeholders, the inclusion of Medicaid provider billing records could increase federal oversight capabilities in provider fraud investigations and related enforcement actions.

Section 3. Privacy and Information Security Requirements

The legislation includes several provisions intended to govern how information obtained from states may be used, stored, and protected.

Privacy Protections

The Attorney General would be required to handle information obtained under the Act in accordance with:

- The Privacy Act of 1974; and
- Applicable HIPAA privacy regulations where relevant.

Security Requirements

The Attorney General would be required to establish security protocols ensuring that transferred information:

- Is encrypted using industry-standard protocols;
- Is accessible only to authorized personnel; and
- Is destroyed following the conclusion of the relevant investigation or legal proceeding.

Limitations on Use

Information obtained under the Act could be used only for fraud-related law enforcement purposes. Federal agencies would be prohibited from using the information for unrelated administrative activities or commercial purposes.

Potential Impact

These provisions are intended to address concerns that expanded data sharing could increase privacy risks. The bill attempts to balance broader fraud detection capabilities with limitations on data access and use.

Section 4. Reporting Requirements

Beginning one year after enactment and annually thereafter, the Attorney General would be required to submit reports to the congressional judiciary committees detailing:

- The number of information requests made to state agencies;
- The programs affected by those requests; and
- The number of fraud investigations initiated and convictions obtained using information provided under the Act.

Potential Impact

The reporting requirement would provide Congress with a mechanism to evaluate how frequently the authority is being used and whether the information-sharing framework is resulting in enforcement actions and fraud convictions.

Sections 5-7. Effective Date, Severability, and Definitions

The Act would take effect 60 days after enactment. The bill also includes a standard severability clause and defines "State" to include the 50 states, the District of Columbia, Puerto Rico, and other U.S. territories and possessions.

Key Takeaway

The PROOF Act would create a formal mechanism for federal law enforcement to obtain information from state agencies administering a wide range of public benefit, healthcare, disaster relief, education, housing, and economic development programs. The legislation is primarily aimed at strengthening fraud detection and prosecution efforts while imposing privacy, security, and reporting requirements governing the collection and use of program data. For healthcare stakeholders, the bill's inclusion of Medicaid could increase federal access to beneficiary and provider information during fraud investigations and enforcement actions.