

To the office of U.S. Representative Pete Sessions

Re: HR 8312 (119th Congress), Fraud Prevention and Accountability Act • Latest action (2026-06-11): Received in the Senate.

VFA SI Solution #96 • published 2026-06-10 • <https://www.valuesforamerica.com/solutions/96>

Office of record (Congress.gov): 2204 Rayburn House Office Building, Washington, DC • (202) 225-6105

Federal Program Integrity and Oversight Enhancement Act

The measure, as described from the official record: To reduce fraud in federal programs by increasing penalties, expanding surveillance authority, and creating new federal crimes for misuse of government funds.

THE PROPOSAL

This Act establishes a bipartisan Federal Program Integrity Commission within the Government Accountability Office to oversee fraud prevention in all federal programs funded by appropriations under Article I, Section 8, Clause 1. The Commission shall consist of five members appointed by the Comptroller General, with no more than three from the same political party, serving staggered five-year terms.

The Commission is authorized to conduct audits and investigations of any federal program receiving more than \$10 million annually, but only with a warrant issued by a federal judge upon probable cause of fraud, in compliance with the Fourth Amendment. All investigations must provide written notice to the subject within 30 days, ensuring Fifth Amendment due process.

Penalties for fraud against federal programs shall be limited to civil fines up to \$50,000 per violation and debarment from federal contracts for up to five years, with criminal penalties reserved for cases involving willful intent and damages exceeding \$500,000, as determined by a jury trial under the Sixth Amendment.

States and localities receiving federal funds shall retain primary enforcement authority under the Tenth Amendment, with the Commission providing technical assistance and matching grants for state-level fraud detection programs. The Act sunsets after five years, with a report to Congress on effectiveness and constitutional compliance.

OPERATIVE PROVISIONS (VFA PROPOSAL)

Funding Source	Reallocation of 0.5% of unobligated balances from all federal agency discretionary accounts, as authorized under Article I, Section 9, Clause 7.
Funding Amount	\$50 million per fiscal year for five years, capped at \$250 million total.
Sunset Years	5 years
Oversight Body	Federal Program Integrity Commission within the Government Accountability Office.
Enforcement Mechanism	Civil fines imposed by the Commission after administrative hearing, with judicial review in federal district court; criminal referrals to the Department of Justice only

for cases meeting the willful intent and damage threshold.

Effective Date January 1, 2026

CONSTITUTIONAL BASIS

- Article I, Section 8, Clause 1 (taxing and spending for general welfare)
- Article I, Section 8, Clause 18 (necessary and proper clause)
- Fourth Amendment (unreasonable searches and seizures)
- Fifth Amendment (due process)
- Sixth Amendment (jury trial)
- Tenth Amendment (reserved powers to states)

Concerns with the measure as written:

- May exceed Congress's enumerated powers under Article I, Section 8 by creating new federal crimes that intrude on state police powers under the Tenth Amendment.
 - Expansion of surveillance authority without warrant requirements could violate Fourth Amendment protections against unreasonable searches and seizures.
 - Increased penalties without clear due process safeguards may raise Fifth Amendment concerns regarding notice and fair hearing.
-

WHY BOTH SIDES CAN BACK IT (VFA'S ASSESSMENT)

Honors Democratic priorities by preserving state enforcement roles under the Tenth Amendment, requiring warrants for investigations, and limiting criminal penalties to high-threshold cases. Honors Republican priorities by creating a focused oversight body, imposing civil fines, and including a sunset clause to prevent permanent expansion of federal authority.

Values for America is a nonpartisan, constitution-first SI think tank. This brief is informational. It is a policy proposal, not law, and it does not support or oppose any candidate or party. Full analysis and sources:

<https://www.valuesforamerica.com/solutions/96> · Methodology: <https://www.valuesforamerica.com/methodology>