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Herger-led Subcommittee Holds Hearing on the Use of Technology to Improve Government Programs

(WASHINGTON, D.C.) - The Ways and Means Subcommittee on Human Resources, chaired by Congressman Herger, today held a hearing on the use of technology to improve public benefit programs. The hearing demonstrated that applying technology in public benefit programs can: (1) improve customer service, (2) prevent fraud and abuse, and (3) produce program savings for U.S. taxpayers. Information relating to the hearing and Congressman Herger's opening remarks follow.

"Americans from all walks of life have experienced in recent years the benefits of new technologies in their homes and workplaces," Herger stated. "These improvements have led to better, less expensive and more accessible services. Families and individuals in need of government assistance should benefit from the same revolutionary advances in getting the help they need. Today's hearing explored how programs and agencies are using new technologies to better serve beneficiaries and taxpayers alike. It also provided an opportunity to review what can be done to further improve services, which is what the American people rightly expect."

Applying technology in public benefit programs can:

1. Improve customer service - Surveys suggest recipients are 30 times less likely to experience a payment problem with electronic payments compared to paper checks. Direct deposit or debit cards allow recipients access to money sooner and without the worry of stolen checks or huge check cashing fees.
2. Prevent fraud and abuse - Electronic payments reduce the risk of stolen checks, or "payday" crimes against recipients. The use of new biometric technologies in the application process greatly reduces the risk of fraud, and is supported by recipients.
3. Produce savings for U.S. taxpayers - Since 1986, direct deposit has generated about \$5 billion in savings for U.S. taxpayers. Another \$120 million could be saved annually if everyone still receiving federal benefit checks used direct deposit or other electronic payments. Further, many states already save money for taxpayers by using electronic payments for welfare, child care, unemployment, and other benefits.

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The following is Congressman Herger's prepared opening statement at today's hearing:

"The purpose of this hearing is to review ways technology is being used in public benefits programs to improve customer service, better prevent fraud and abuse, and even produce savings for taxpayers.

"This may seem like rocket science to some, but the advantages of using technology are surprisingly obvious.

"Consider electronic payments. All government benefit programs now offer electronic payments, whether in the form of direct deposit into a recipient's account or through EBT or electronic benefit transfer cards.

"Surveys suggest people who receive benefits the old way – by paper check – are 30 times more likely to encounter a problem compared with people who receive electronic payments. 30 times. Paper checks can be lost, damaged, or stolen. Checks take days to arrive in the mail. Checks must be signed, delivered, and deposited. Checks cost programs more to process, and recipients often must pay significant fees to get them cashed. Plus recipients who leave check cashing stores with lots of cash are ready targets for criminals.

"So getting more people to receive benefits electronically will help low-income families make ends meet, and reduce costs to taxpayers at the same time. Plus technology can better prevent fraud and abuse, for example if people try to claim benefits in multiple states, or claim they aren't working but really have a job.

"But the benefits of technology don't stop there. In the wake of Hurricane Katrina, families receiving benefits electronically, even those who evacuated to other states, could access their money wherever they were. At the same time, thousands of checks sat unopened in post offices in Louisiana, unavailable to the recipients they were meant to help during the worst disaster in our history.

"Today we will hear about how we can use improvements in technology to better serve all Americans. These improvements involve literally every stage of the benefit process – from application, to coordination with other programs, to payment of benefits. We will explore how biometrics, online applications, and data matching all can be used to better ensure the right people are paid the right amount of benefits, at the right time."

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