Committee on Oversight and Government Reform
U.S. House of Representatives
Hearing: *The Federal Government in the Age of Artificial Intelligence*
Testimony of Linda Miller
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Chairman Comer, Ranking Member Lynch, and esteemed members of the Committee:

Thank you for the opportunity to testify today on the critical role artificial intelligence (AI) can and must play in strengthening the efficiency and integrity of federal programs. I appear before you as the Co-Founder of TrackLight Inc., a technology company dedicated to helping government agencies detect and prevent fraud using AI. I am also co-founder of the Program Integrity Alliance (PIA), a nonprofit "do-tank" that is building AI-enabled tools for government agencies to use. My perspective is shaped by over 10 years as a public servant, including leadership roles at the Government Accountability Office (GAO) and the Pandemic Response Accountability Committee (PRAC), where I worked on some of the government's most complex fraud challenges.

AI has evolved dramatically in just a few years and today Generative AI holds enormous promise in radically improving the delivery of government services. The meteoric rise of the newest form of Generative AI— Agentic AI— offers the alluring opportunity to use AI for task automation, not just generating on-demand content, like ChatGPT and its rival chatbots. With these rapid developments, the government stands to realize massive cost savings and enormous gains in effectiveness in scores of programs while at the same time preserving the integrity of taxpayer dollars.

Yet serious challenges lie ahead. A vast majority of respondents in surveys on AI adoption across industries report cultural and change management challenges as the primary barrier to success. This challenge is far greater in government, which is traditionally slower to adopt new technology and has as its core defining feature a tendency toward bureaucratic inertia. Successful adoption of AI across government will require radical cultural change, driven from the top.

The government loses more than a half a trillion dollars to fraud every year, to say nothing of waste, abuse, and errors, which has badly eroded Americans' trust in the government as effective stewards of their tax dollars. Agency leaders have under-invested in advanced data analytics to prevent and detect fraud, and with little to no consequences of this failure to invest, there are few incentives for them to do otherwise. The same pattern risks repeating with AI—high potential, but little incentive to act.

And yet, today's fraud actors are faster, more coordinated, and more technically sophisticated than at any point in history. Foreign nation state actors are investing in AI technology and using it to great effect. Last year, the first successful multi-person deepfake was perpetrated against a London-based design firm. An unwitting employee ended up wiring $25 million to fraud actors following a Zoom call in which he was convinced that he was in a meeting with several colleagues, all of whom were criminals using deepfake disguises. This illustrates the fact that AI

is enabling fraud to scale, overwhelming systems that are not built to defend against the volume and speed of such threats. Criminal networks exploit weaknesses in government program design, siloed data systems, and outdated verification methods. We saw this vividly during the pandemic—where some programs saw large proportions of spending stolen by organized crime rings, but it is not limited to crisis-response programs. From healthcare to procurement to small business grants, the same patterns repeat: systems too antiquated, leadership too apathetic, oversight too reactive, and fraud, waste and abuse too expensive to ignore.

AI, in particular Generative AI, is a game changer in streamlining government service delivery and preventing fraud, waste, and abuse. AI systems trained by subject matter experts can detect patterns, relationships, and anomalies that humans alone would miss. Additionally, human supervised and autonomous AI "agents" can sift through vast datasets to identify potentially fraudulent vendors, assess risk scores in real time, and generate structured investigative reports in a fraction of the time they take today. Indeed, AI has the potential to advance two goals that are often seen in tension—safeguarding program integrity and simplifying access to services.

At TrackLight, we've seen firsthand how combining domain expertise with AI can reduce fraud investigation timelines from *weeks to minutes.* This has transformed data from something that overwhelmed fraud investigators to something that empowers them. Applied to use cases across the government, AI tools offer promise in a wide range of programs, from conducting due diligence on applicants for grants, loans, and benefits to streamlining repetitive processes, like continuing disability reviews at the Social Security Administration.

Caution must be exercised, however, given the potential for data exfiltration and myriad risks—like hallucinations, over-reliance on AI generated content, or otherwise unreliable outcomes. And agencies are hamstrung by data use and data sharing barriers that threaten the government's ability to maximize AI. The following are some key considerations government leaders, stakeholders and oversight bodies must keep in mind when developing and deploying AI initiatives.

AI can be a driver for data modernization

The utility of AI is constrained by the quality, structure, and accessibility of government data. Agencies should treat AI readiness as an opportunity to strengthen foundational data practices, including inventorying datasets, improving metadata, and standardizing formats and interoperability across systems. In this sense, AI stands to be more than just a tool; it stands to be a lever to advance long-overdue improvements in the data ecosystem.

Responsible AI must be more than a theory

AI is advancing rapidly and entering the mainstream just as public concerns about data privacy are intensifying. That said, responsible AI must be more than a technical principle; it must be visible in practice. Agencies should establish and communicate clear governance mechanisms and practices. This can include ethical guidelines, AI impact and risk assessments. Internal and external review boards for AI use cases with legal, ethical, privacy, or equity implications can be useful, but they must not impede progress. Involving users, industry, civil society, and/or

advisory panels early in the process can help navigate politically sensitive or high impact use cases. Agencies should aggressively test new AI capabilities. But they must spend time ensuring solid governance protocols are in place before operationalizing AI initiatives.

AI design and deployment must reflect and support a shrinking workforce

With attrition rising and hiring constrained, AI has the potential to extend institutional capacity, but only if designed *with* frontline staff, not imposed *on* them. Agencies should start by identifying where institutional memory is at risk, or where repetitive tasks overwhelm core staff. Such areas are ripe for AI augmentation. Agencies should also invest in user training, and upskilling— AI tools need users who understand them, trust them, and can intervene when needed. Thus government leaders need to build a workforce that effectively trains and manages AI in order to successfully integrate it into their processes.

Narrative matters; AI will strengthen public service, not replace public servants

Using AI is not about replacing people. It's about augmenting their work—giving them the tools they need to see the big picture, flag emerging threats early, and make informed decisions quickly. The fear that AI will displace government workers can be politically and culturally paralyzing. To counter this, messaging must be consistent, and outcome driven. Agencies should communicate early and often that AI adoption is about enabling staff to focus on higher-value work. At TrackLight, for instance, we have found that AI Agents can be a huge accelerator of "unfinished business," including due-diligence, allegation processing, preliminary investigations, and audits. Government staff can and should serve as "humans-in-the-loop," managing the AI Agents to ensure quality standards are upheld. One example of such high-value work is to apply AI Agents to the task of processing pandemic fraud backlogs. These backlogs are so large that some Inspectors General have said it could take well over a decade to triage them. But Gen AI tools can process these cases in a matter of months, allowing more criminal and civil cases to make it before judges. This "best of both worlds" partnership between public servants and technology has the power to make government exponentially more effective.

AI use must start with an understanding of what problem is being solved

Many organizations are concerned about being left behind in the AI race. It is alluring technology, so there is pressure to try and use it just for the sake of using it to have skin in the game. This is, of course, a big mistake. Chasing tech just for tech's sake rarely works out well. At best, resources are wasted investing in solutions that don't deliver, and at worst, there can be adverse outcomes. As with any technological solution, it's of paramount importance that the first step is understanding the current cost of *doing nothing*. Starting with the low-hanging fruit— those tasks that are easily automated— and moving from there to more technical tasks will allow for agency leaders and program managers to successfully navigate the learning curve.

Be rigorous about evidence-based metrics

By tracking metrics for success closely, agencies can learn valuable lessons. Getting AI, especially generative AI, to work well enough to move the needle is *hard*. Being rigorous about

metrics will help highlight where things are working, and where they are not, so agencies can learn. However, agencies must guard against measuring outputs that don't move the needle. For example, if the results are inaccurate, boasting about speeding up processing by an order of magnitude risks undermining the support for more widely using AI tools. Choosing pilot areas where measurement is more feasible and collecting data on outcomes will help agencies demonstrate the value of their investment in AI.

Buy don't build, generally

Some agencies may be tempted to develop all AI solutions using custom code. This may be the best option in some cases, such as when there is existing capacity or a strong case for in-house customization. But custom builds generate technical debt, and in the fast-moving world of Gen AI, today's custom solution may well be obsolete in a few months. With new off-the-shelf products coming online, such as Google Vertex AI, Amazon Bedrock, and Microsoft Azure AI Foundry, it's not necessary to develop everything from scratch.

Actions Congress Can Take

To modernize oversight and make AI adoption a reality, Congress can help through the following actions:

- **Fund High-Value AI Pilot Programs**
  Agencies need regulatory space and dedicated funding to test AI-driven solutions including those aimed at fraud prevention. Modeled after regulatory sandboxes, Congress should fund specific pilot projects, allowing agencies to partner with private-sector innovators and experiment with AI models under controlled conditions—especially in procurement, grantmaking, and payment integrity. These pilot projects should include mechanisms to measure outcomes and report to Congress on the demonstrated impact of each initiative.

- **Modernize Data Access and Legal Frameworks**
  AI can only be as effective as the data used in its implementation. Outdated restrictions on data access—especially under laws like the Privacy Act, the Computer Matching Act and the Fair Credit Reporting Act—limit agencies' ability to incorporate data needed in AI initiatives to verify information. Congress should consider modernizing privacy laws to better enable AI solutions, such as real-time fraud prevention and streamlined service delivery, while continuing to protect sensitive personal data.

- **Right-size Regulation**
  It's crucial to get regulations right. An overly burdensome regulatory environment will stifle progress, and an overly permissive regulatory environment carries significant risk, especially with technology this powerful and this new. Responsible AI frameworks are available from a variety of reliable sources, including GAO. Congress should require that agencies adhere to responsible AI practices and establish a mechanism for partnership between federal leaders and private industry to work together on evolving requirements,

soliciting the views of the agencies who are actually using AI to gauge how well the policies are working.

With the right focus and preparation, agencies across government can successfully harness the promise of AI . Thank you for the opportunity to share my perspectives. I look forward to your questions.