State of Louisiana

EXECUTIVE DEPARTMENT

OFFICE OF THE GOVERNOR

EXECUTIVE ORDER NUMBER JML 26-069

LOUISIANA TAXPAYER PROTECTION INITIATIVE – COMBATING FRAUD THROUGH FEDERAL-STATE PARTNERSHIPS AND COOPERATION

WHEREAS, the people of Louisiana are entitled to a government that safeguards every taxpayer dollar, and protecting taxpayers against fraud, waste, abuse, and improper payments is the central purpose of this Order;

WHEREAS, Louisiana administers billions of dollars each year in state and federal funds, including Medicaid, unemployment compensation, the Supplemental Nutrition Assistance Program and other public-assistance programs, disaster-recovery assistance, and procurement, which are each vulnerable to fraud, abuse, and improper payments;

WHEREAS, President Donald Trump has made eliminating fraud, waste, and abuse a national priority through the federal Department of Government Efficiency ("DOGE") initiative and related 2025 executive orders, directing interagency data sharing and stronger payment integrity (including Executive Orders 14158 and 14243), and the State should pursue the same objectives — employing modern, prevention-first tools to stop improper payments before funds are disbursed — consistent with the Constitution and laws of Louisiana;

WHEREAS, I have previously advanced these objectives by establishing the Fiscal Responsibility Program under Executive Order JML 24-176, as amended by Executive Order JML 26-001. These executive orders are directed at evaluating state contracts, identifying government waste, and finding efficiencies that reduce burdens on taxpayers, which is a responsibility now assigned to the State Inspector General;

WHEREAS, the prevention and detection of waste, mismanagement, abuse, fraud, and corruption in the executive branch is already declared by law to be an important responsibility of the state, and an independent State Inspector General is established within the Office of the

Governor for that purpose under R.S. 49:220.21. Pursuant to R.S. 49:220.24, the State Inspector General has the authority to investigate covered agencies, to access their records (including certain records held by third parties), and to refer credible evidence of criminal activity to the appropriate prosecutorial agencies;

WHEREAS, pursuant to La. Const. art. IV, sec. 8, the Attorney General is the chief legal officer of the State charged with protecting the interests of the State and its citizens, including through the Medicaid Fraud Control Unit and the civil recovery of public funds; and the participation and leadership of the Attorney General in this initiative will strengthen the State's coordinated effort to prevent, detect, and recover losses caused by fraud, waste, abuse, and improper payments;

WHEREAS, the Legislative Auditor reports annually on waste, inefficiencies, and erroneous or improper payments by the state under R.S. 24:516.1, and a coordinated effort under unified leadership will maximize the prevention of losses and the recovery of misspent public funds; and

WHEREAS, the Governor has the authority to organize and direct the executive branch to accomplish these purposes.

NOW THEREFORE, I, JEFF LANDRY, Governor of the State of Louisiana, by virtue of the authority vested by the Constitution and laws of the State of Louisiana, do hereby order and direct as follows:

Section 1: Establishment. I hereby direct the Inspector General to launch the Louisiana Taxpayer Protection Initiative, aimed at breaking down silos, improving responsiveness, and expediting interagency, federal, and state coordination.

Section 2: Purpose. The purpose of the Louisiana Taxpayer Protection Initiative is to protect Louisiana taxpayers by detecting, preventing, eliminating, and recovering losses caused by fraud, waste, abuse, and improper payments in the programs, contracts, payments, and operations of the executive branch — including state and federal funds administered by the State and funds the State passes through to grantees, subrecipients, and other pass-through recipients — and by recommending reforms that strengthen the State's safeguards.

<u>Section 3:</u> Coordination with Federal Partners. The Inspector General shall coordinate, as appropriate and consistent with the law, with federal partners and make use of federal anti-fraud systems and authoritative data sources, including with designees at the following departments:

A. The United States Department of the Treasury, including the Bureau of the Fiscal Service and its Do Not Pay working system and Account and Entity Verification Services;
B. The United States Department of Justice, including the United States Attorneys for the Eastern, Middle, and Western Districts of Louisiana;
C. The Federal Bureau of Investigation, including with respect to civil recoveries under the federal False Claims Act;
D. The United States Department of Health and Human Services, including the Centers for Medicare & Medicaid Services and that Department's Office of Inspector General, with respect to the integrity of Medicaid and other federally funded health programs, and in coordination with the Attorney General's Medicaid Fraud Control Unit;
E. The United States Department of Labor, including its Office of Inspector General and the Employment and Training Administration, with respect to unemployment-compensation fraud and improper payments;
F. The United States Department of Agriculture, including its Office of Inspector General and the Food and Nutrition Service, with respect to the integrity of the Supplemental Nutrition Assistance Program and other nutrition-assistance programs;
G. The Social Security Administration, including with respect to the Death Master File and other authoritative data used to verify identity and eligibility;
H. The Offices of Inspectors General of other federal departments and agencies that fund or administer programs operated by the State; and
I. The United States Government Accountability Office, including with respect to its leading practices for managing fraud risk.

Such coordination may include lawful data sharing and matching, joint or parallel investigations, civil or criminal referrals, and the joint recovery of federal and state funds, in each case consistent with applicable confidentiality, privacy, and data-security law and with the independent statutory roles of the State Inspector General, the Legislative Auditor, and the Attorney General.

Section 4: Coordination with State Partners. The Inspector General shall work with the following agencies to designate an individual from each agency to serve as liaison for the Inspector General's Louisiana Taxpayer Protection Initiative:

A. The Attorney General;
B. The Commissioner of Administration, or the Commissioner's designee;
C. The State Chief Information Officer / the Office of Technology Services, or a designee, to assist with lawful data sharing and matching;
D. The Louisiana Department of Health;
E. The Louisiana Workforce Commission;
F. The Louisiana Department of Children and Family Services;
G. The Louisiana Department of Education;
H. The Louisiana Board of Regents (higher education);
I. The Governor's Office of Homeland Security and Emergency Preparedness, the Office of Community Development;
J. The Louisiana Department of Transportation and Development,
K. The Louisiana Department of Environmental Quality,
L. The Louisiana Economic Development;
M. The Louisiana Commission on Law Enforcement;
N. The Louisiana Department of Agriculture and Forestry;
O. The Legislative Auditor.
P. The Department of State.
Q. The Department of the Treasury.
R. The Department of Culture, Recreation and Tourism.
S. The Department of Insurance.
T. Any other department or agency the Governor designates;

Section 5. Duties. The Inspector General, and the designated agencies working on the Louisiana Taxpayer Protection Initiative, shall perform the following duties:

A. Identify and recommend the elimination of fraud, waste, abuse, and improper or duplicate payments across state agencies, prioritizing high-expenditure programs such as Medicaid and other health programs, unemployment compensation, public-assistance and nutrition-assistance programs, education funding, disaster-recovery and community-development assistance, transportation, economic-development incentives, grants and grant subrecipients (including nonprofit and non-governmental organizations), and procurement.

B. Eliminate information silos by promoting, coordinating, and facilitating the lawful sharing, consolidation, and matching of data within and among state agencies — including cross-program matching to detect duplicate enrollment, deceased or ineligible recipients, and duplicate vendors, and including data generated by federally funded programs but held in third-party databases — in support of the access provided to the State Inspector General.

C. Strengthen payment integrity by reviewing the State's payment, disbursement, and vendor-onboarding systems and recommending modernization, pre-payment verification, and other controls to reduce improper payments.

D. Recommend and coordinate the recovery of misspent, overpaid, or fraudulently obtained public funds; and refer credible evidence of fraud, abuse, or corruption, and any apparent criminal activity, to the Inspector General, and the Inspector General shall refer the matter to the Attorney General (including the Medicaid Fraud Control Unit as applicable), the appropriate district attorney, and other law-enforcement and prosecutorial agencies.

E. Recommend improvements to internal controls, policies, procedures, rules, and, where appropriate, statutes, to prevent and detect fraud, waste, abuse, and improper payments.

F. Promote and publicize avenues for state employees, vendors, and citizens to report suspected fraud, waste, and abuse, and protect good-faith reporters consistent with applicable law.

G. Coordinate with the legislative auditor, the Division of Administration, and other oversight bodies to avoid duplication and reinforce existing oversight, recognizing that the State Inspector General is also responsible for the Fiscal Responsibility Program.

H. Strengthen grant, subrecipient, and pass-through integrity by reviewing pre-award eligibility, single-audit compliance, related-party and conflict-of-interest disclosures, and performance and deliverable verification for grantees, subrecipients, and other pass-through recipients — including nonprofit and non-governmental organizations that receive state or federal funds administered by the State — and by recommending improved contracting and subaward practices consistent with the pass-through requirements of 2 C.F.R. §§ 200.331 and 200.332, including risk-based vetting and exclusion screening, standardized subaward terms, access-to-records and audit clauses, single-audit and reporting requirements, milestone- and deliverable-based disbursement, and recovery or clawback remedies for noncompliance or misuse.

<u>Section 6:</u> Access to Records and Elimination of Information Silos. Consistent with Executive Order 14243 and applicable law:

A. All departments, agencies, offices, boards, commissions, and political subdivisions of the State, and their officers and employees, shall provide the Inspector General and the officials the Inspector General designates full and prompt access to the records, data, and payment, accounting, and information-technology systems necessary to identify and eliminate fraud, waste, abuse, and improper payments (or an equivalent dataset where doing so does not delay access) as allowed under the law; shall facilitate intra-agency and inter-agency sharing and consolidation of such data; and shall review and, where lawful and appropriate, rescind or modify internal practices that impede such lawful sharing.

B. This Section shall be implemented in compliance with all applicable confidentiality, privacy, and data-security law, including the safeguards set forth in Section 9. Nothing in this Order authorizes access to, or disclosure of, information in violation of law, including but not limited to matters protected by SSA, HIPPA, the IRS, lawyer-privilege, legislative privilege, deliberative process privilege, attorney work product, or executive privilege.

<u>Section 7:</u> Modern Fraud Detection and Prevention Techniques. The Inspector General shall work with the State's Chief Information Officer and staff to identify, pilot, and deploy contemporary, prevention-first tools to detect, prevent, to make recommendations for modernization, and stop fraud, waste, abuse, and improper payments, including the following:

A. Analytics, artificial intelligence, and prevention before payment. Deploy enterprise data analytics, predictive risk scoring, anomaly detection, and continuous monitoring, and verify identity, eligibility, and payment information before payment rather than pursuing losses afterward.

B. Identify proofing and authentication. Use risk-based identity proofing, multi-factor authentication, document verification, and, where lawful, device, biometric, and liveness checks to defeat identity theft and synthetic-identity fraud, consistent with NIST Special Publication 800-63.

C. Authoritative data matching. Match against authoritative sources to detect ineligible, duplicate, deceased, or incarcerated recipients and improper payments — including the Social Security Administration's Death Master File and state vital records, the National Directory of New Hires, incarceration data, interstate public-assistance matching (the Public Assistance Reporting Information System), and the United States Treasury's Do Not Pay working system and Account and Entity Verification Services.

D. Vendor and payment integrity screening. Screen vendors, providers, contractors, grantees, and subrecipients against federal and state exclusion and debarment lists (including SAM.gov and the HHS Office of Inspector General List of Excluded Individuals/Entities), verify ownership and banking information, and use payee and bank-account validation to prevent misdirected payments and account-takeover or money-mule schemes.

E. Network analysis, recovery audit, and automation. Use entity resolution and network or link analysis to detect organized fraud rings; employ recovery-audit and data-mining techniques, including cost-effective contingency-fee recovery; and use automation and feedback loops to refine controls as schemes evolve.

F. Dedicated analytics capability. Establish a Taxpayer Protection Analytics Unit under the direction of the Office of State Inspector General (R.S. 49:220.21, *et seq.*), operating as part of, and subject to the access authority and confidentiality protections of, the State Inspector General, with secure hosting, infrastructure, and data-security support provided by the Office of Technology Services (R.S. 39:15.3) and in coordination with the Division of Administration, as the Inspector General's central capability for secure data integration, analytics, matching, and risk scoring, staffed with appropriate data-science, audit, and investigative expertise, and operated in the most efficient manner consistent with its effectiveness, making maximum use of existing state systems, infrastructure, and personnel to avoid duplication and unnecessary cost.

<u>Section 8:</u> Fraud Risk Management Framework. The Inspector General shall work with department designees and the Division of Administration to adopt and promote across the executive branch a structured fraud risk management approach consistent with recognized leading

practices, including the United States Government Accountability Office's "A Framework for Managing Fraud Risks in Federal Programs" (GAO-15-593SP). At a minimum, it shall: (A) commit leadership and culture to managing fraud risk; (B) conduct regular, program-specific fraud risk assessments prioritizing the highest-dollar and highest-risk programs; (C) design and implement antifraud controls aligned to those risks, emphasizing prevention; and (D) evaluate and adapt the controls based on monitoring, data, and results.

Section 9: Governance, Privacy, and Due-Process Safeguards. Because these techniques rely on data and automated tools, the Inspector General shall ensure they are used responsibly and lawfully, including by providing for the following:

A. Legal compliance and data protection by design. Full compliance with all applicable confidentiality, privacy, and data-security laws — including those governing protected health information, federal tax information, unemployment-compensation information, criminal-history information, and personally identifiable information — together with data minimization, role-based access controls, encryption, secure data-sharing agreements, and auditable logging.

B. Model governance and due process. Testing of analytics and artificial-intelligence or machine-learning tools for accuracy and for unfair or unlawful bias, documentation of their use, and meaningful human review before any adverse determination — so that an automated alert or risk score results in verification by qualified personnel and preserves applicable rights to notice and to contest, rather than the automatic denial, suspension, or termination of benefits, payments, or eligibility.

Section 10: Reporting. The Inspector General shall submit an annual report to the Governor and the Joint Legislative Committee on the Budget at the end of each fiscal year that describes the accomplishments and contributions made by the office toward achieving the mission of helping to prevent and detect waste, fraud, and abuse in Louisiana government in accordance with R.S. 49:220.24. This report shall include information outlining the progress of the Louisiana Taxpayer Protection Initiative. Except for the reports of investigations released as provided in R.S. 49:220.24(C)(6), the records prepared or obtained by the Inspector General in connection with investigations conducted by the Inspector General shall be deemed confidential and protected from disclosure as required by state law. Pursuant to R.S. 49:220.25, any record or information obtained by the Inspector General which is confidential pursuant to any other provision of law shall remain confidential, and it shall be a misdemeanor punishable by a fine of not more than two thousand dollars or imprisonment for not more than one year, or both, for the Inspector General or any of his employees, or any other public official, corporation, or individual, to make public any such information or record.

Section 11: Support. Support staff, facilities, and resources for shall be provided by the Office of the Governor and other departments of the executive branch of state government. The custodian of records shall be the Inspector General, and the Inspector General's office will be required to identify any responsive documents that may exist as to public records requests and provide the exception, exemption or privilege that is being asserted if a document is withheld.

Section 12: Cooperation. All departments, commissions, boards, offices, entities, agencies, and officers of the State of Louisiana, or any political subdivision thereof, are authorized and directed to cooperate with the Inspector General in implementing the provisions of this Order.

Section 13: Effect on Existing Authority. Nothing in this Order shall impair, diminish, supersede, or otherwise affect the independent statutory authority, duties, or powers of the state Inspector General, the Legislative Auditor, the Attorney General, the Board of Ethics, district attorneys, or any other officer or entity, or the authority granted by law to any executive department or agency. This Order shall be implemented consistent with applicable law and subject to the availability of appropriations, and creates no right or benefit, substantive or procedural, enforceable at law or in equity by any party against the State of Louisiana, its departments, agencies, officers, employees, or agents.

Section 14: Definitions. As used in this Order:

A. "Fraud" means a knowing misrepresentation or concealment of a material fact, or other wrongful or criminal deception, intended to result in financial or personal gain, including to obtain or retain payments, benefits, contracts, or property.

B. "Waste" means the careless, inefficient, or thoughtless expenditure, consumption, or mismanagement of public resources, which need not involve intent to deceive.

C. "Abuse" means the excessive or improper use of authority, position, or public resources, or conduct that is deficient or improper when compared with what a prudent person would consider reasonable and necessary.

D. "Improper payment" means any payment that should not have been made, or that was made in an incorrect amount (including an overpayment or underpayment), under a statutory, contractual, administrative, or other legally applicable requirement; any payment to an ineligible recipient or for an ineligible good or service; any duplicate payment; and any payment that lacks sufficient supporting documentation.

E. "Synthetic-identity fraud" means the use of a combination of real and fabricated personally identifiable information to create a fictitious identity in order to commit a dishonest act for financial or personal gain.

F. "Covered agency" has the meaning given in R.S. 49:220.21, namely the departments, offices, agencies, boards, commissions, task forces, authorities, and divisions of the executive branch of state government.

G. "State funds" and "federal funds" mean, respectively, funds appropriated or administered by the State from state sources, self-generated fees, and funds provided by the federal government and administered by the State, including federally funded, state-administered programs.

<u>Section 15:</u> Effective Date. This Order is effective upon signature of the Governor, and it shall remain in effect until amended, modified, terminated, or rescinded by the Governor, or until terminated by operation of law.

IN WITNESS WHEREOF, I have set my hand officially and caused to be affixed the Great Seal of Louisiana in the City of Baton Rouge, on this 29th day of July, 2026.

Jeff Landry
GOVERNOR OF LOUISIANA

ATTEST BY THE
SECRETARY OF STATE

Nancy Landry
SECRETARY OF STATE