

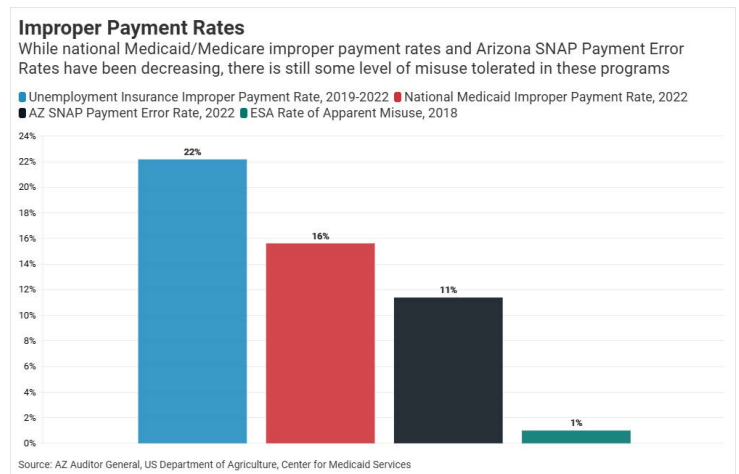
Fiction

ESA's are Subject to Rampant Fraud & Abuse

"I think it starts with the Legislature that passed legislation that doesn't have controls. It starts with educators who don't care about fraud, waste or abuse, or they would have put some guardrails on this program."^[xxvii]

Key Facts

- **\$2 billion+**: The scope of Medicaid billing fraud in Arizona revealed by a single investigation into pandemic-era relaxed program standards.^[xxviii]
- **\$2.3 billion**: Arizona's share of estimated pandemic-era fraudulent U.S. Unemployment Insurance payments.^[xxix]
- **About \$650,000**: The sum-total of all specific, public allegations of ESA fraud CSI identified to-date, since universal eligibility expansion.^{[xxx][xxxi]}
- **In general, researchers and public benefits programs administrators acknowledge a fundamental trade-off between program accessibility and vulnerability to waste** – in any public benefits program.^[xxxii]
- **For example, over the last five years, federal administrators of the nation's largest public benefits programs directed or encouraged states to relax accountability standards** – accepting increasing waste, fraud, and abuse in exchange for greater program access.
- **By suspending legal eligibility checks for enrollment, Medicaid enrollment grew by 40% during the pandemic.**^[xxxiii] At its peak, over 20 million Americans were receiving Unemployment Insurance payments in 2020 – from an average of about 2 million typically. States were encouraged to "prioritize speed over eligibility".



B O T T O M L I N E

There are specific statutory requirements governing the use of ESA monies – including guidelines on permissible expenditures and a requirement that ADE conduct random and regular audits to ensure compliance. Within that framework, the program has been able to run well, especially compared to similar programs.

A full list of sources and references is available at our website at www.commonsenseinstituteus.org/arizona/research/education/esa-facts-and-fictions