

**THE PEOPLE'S MONEY.
THE PUBLIC'S TRUST.**

**STRENGTHENING FINANCIAL
OVERSIGHT**





SFOF is the nation's premier center-right network advancing free-market financial policy through the leadership of state financial officers.

PROVEN TRACK RECORD

For more than 14 years, SFOF has translated ideas into real policy outcomes, stronger financial oversight, and measurable results for taxpayers.

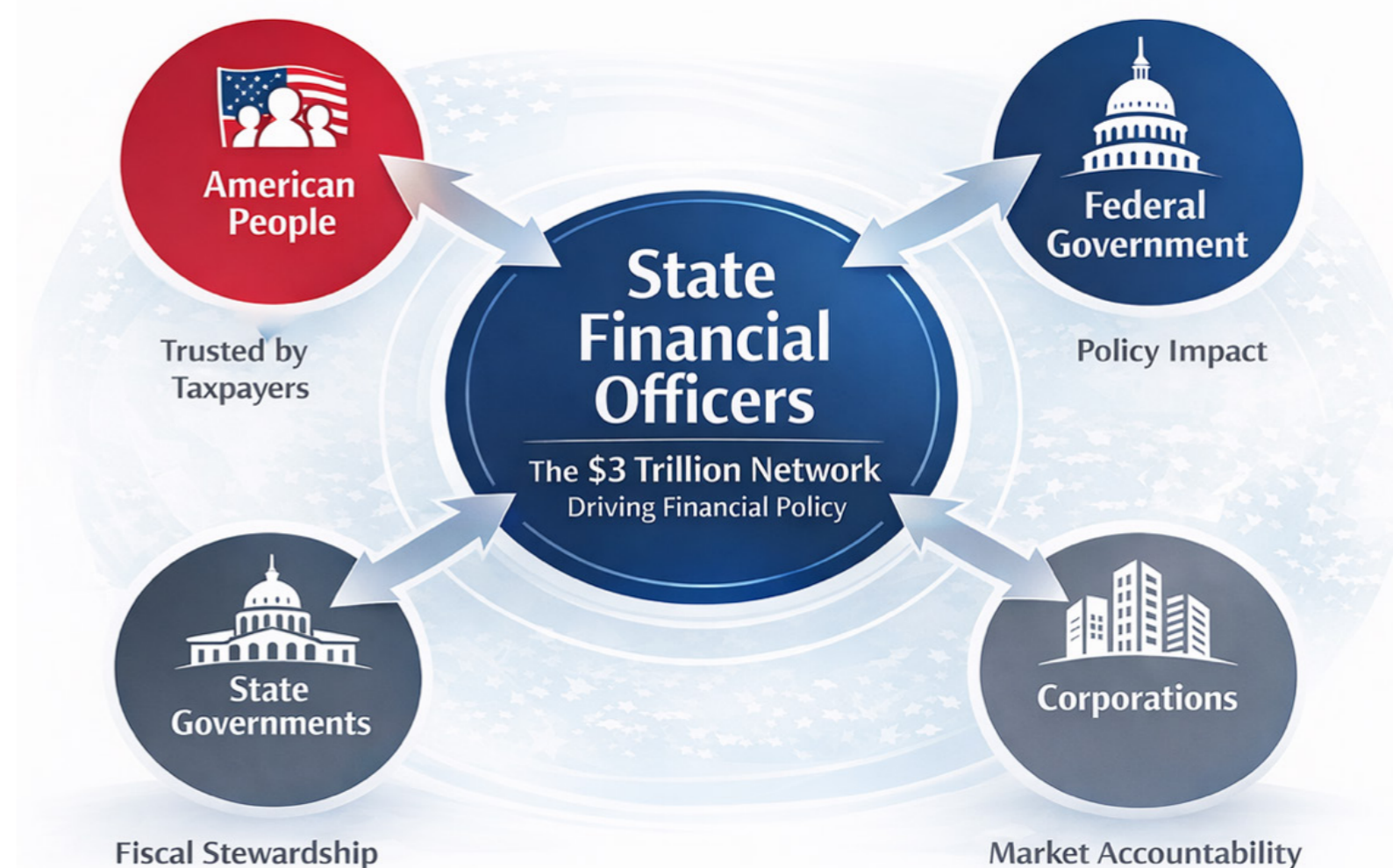
WHY SFOF IS UNIQUE

- Network of state financial officers overseeing trillions in public assets and serving as some of the country's most trusted fiscal leaders.
- Not a traditional think tank. We don't just publish ideas.
- Direct partnership with elected officials who can implement policy, shape markets, and hold institutions accountable.

HOW WE CREATE IMPACT

- **Policy Development** – practical solutions and oversight standards
- **Officer Coordination** – aligning state financial leaders nationally
- **Policy Influence** – shaping state and federal financial policy
- **Market Impact** – influencing corporate behavior in capital market

The State Financial Officers Influence Network



IDEAS > LEADERSHIP > POLICY > RESULTS

SFOF STRATEGIC GOALS (2026–2028)

\$3+ Trillion in Public Assets Managed by State Financial Officers

STOP ESG & DEI

- Publish Proxy Voting Transparency Database
- Expand state anti-ESG fiduciary protections
- Advance reforms to limit ESG/DEI shareholder activism

PROMOTE FIDUCIARY EXCELLENCE

- Launch Center for Fiduciary Excellence
- Publish State Fiduciary Scorecard
- Expand Public Fiduciary Network (PFN) training

PROTECT UNCLAIMED PROPERTY

- Develop national best practices
- Expand treasurer interstate coordination
- Promote reforms to increase asset recovery for citizens

SUPPORT FINANCIAL ACCESS

- Publish State Banking Freedom Report
- Expand Debanking Incident Database
- Advance state fair-access banking legislation

AT ITS CORE, EVERY ONE OF THESE CHALLENGES ULTIMATELY LEADS TO THE SAME RISK: **WASTE. FRAUD. ABUSE.**

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DEMAND HEALTHCARE PRICE TRANSPARENCY

- Develop state health-plan transparency toolkit
- Coordinate state audits of healthcare pricing data
- Identify billions in potential savings through transparency

INCREASE FINANCIAL LITERACY

- Expand Smart Women Smart Money initiatives
- Promote small-business retirement marketplaces
- Scale state financial education programs

UNDERSTAND DIGITAL ASSETS

- Launch Digital Assets Policy Working Group
- Publish state custody & regulatory best practices
- Develop policy framework for responsible digital asset innovation

REDUCE THE NATIONAL DEBT

- Launch Federal Debt Tracker for States
- Publish State Fiscal Responsibility Scorecard
- Coordinate state-led advocacy for fiscal discipline

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WASTE

Mismanagement or inefficient use of public funds – without necessarily violating the law.

- Redundant programs
- Overpaying for goods/services
- Failure to implement competitive bidding
- Poor contract oversight



FRAUD

Intentional deception or misrepresentation to obtain unauthorized and illegal financial gain.

- False billing or phantom vendors
- Embezzlement
- Kickbacks
- Procurement manipulation



ABUSE

Improper or excessive use of funds that may be legal but violates ethical or fiduciary standards.

- Conflicts of interest
- Circumventing internal controls
- Exploiting loopholes
- Excessive or unnecessary expenditures

WASTE DRAINS RESOURCES.

FRAUD STEALS THEM.

ABUSE DISTORTS THEM.

MINNESOTA CASE STUDY: *WHEN OVERSIGHT FAILS*

THE PROGRAM

Pandemic-expanded Federal Child Nutrition Programs administered by the Minnesota Department of Education

Emergency funding surged with reduced federal safeguards.

THE FRAUD SCHEME

The nonprofit Feeding Our Future allegedly:

- Claimed reimbursement for nonexistent meals
- Created dozens of shell distribution sites
- Submitted inflated attendance records
- Used fabricated invoices and documentation

Over \$250 million allegedly stolen

THE SYSTEM FAILURE

Weak Institutional Structure

- No elected State Treasurer; weakened State Auditor
- Limited financial oversight authority

Emergency Rules Weakened Controls

- COVID waivers reduced verification
- Speed prioritized over accountability

Failed Internal Controls

- Self-reported data accepted as proof
- Warning signs ignored

WHY IT MATTERS

A \$250M fraud scheme exposed vulnerabilities tied to nearly \$9B in nationwide pandemic program risk, **all because there was no one elected to care.**

HOW STATE FINANCIAL OFFICERS PREVENT WASTE, FRAUD, & ABUSE

\$3+ trillion in public assets require strong front-end and back-end oversight.



FRONT-END CONTROLS

Preventing Loss Before Taxpayer Money Leaves Government

Treasurers & Controllers

- Payment authorization and cash management oversight
- Vendor and eligibility verification
- Real-time transaction monitoring
- Strong procurement and disbursement controls
- Fraud pattern detection

GOAL ➤ *Stop improper payments before they occur.*



BACK-END CONTROLS

Detecting and Correcting Failures

State Auditors

- Independent performance & compliance audits
- Identification of weak internal controls
- Investigation of improper spending
- Public reporting and transparency
- Referral of fraud for enforcement action

GOAL ➤ *Expose failures and prevent repeat abuse.*

THE OVERSIGHT GAP: Waste, fraud, and abuse thrive between payment and oversight.
THE SFOF FRAMEWORK CLOSSES THAT GAP.

THE SFOF MODEL: SCALING STATE OVERSIGHT NATIONWIDE

WHY SFOF?

- States identify problems.
SFOF scales the solution.
- Share oversight intelligence
 - Replicate best practices across states
 - Coordinate national policy reform
 - Strengthen state–federal enforcement



HOW SFOF MEMBERS TACKLE WFA

Independent Oversight

- ✓ Performance & compliance audits
- ✓ Transparency for taxpayers and legislatures

Strong Internal Controls

- ✓ Verification, procurement, and eligibility enforcement
- ✓ Prevention before funds leave government accounts

Accountability & Enforcement

- ✓ Public reporting
- ✓ Fraud referrals & policy reform

Data-Driven Detection

- ✓ Identify improper payments & spending anomalies
- ✓ Flag risks before losses accumulate

Active Financial Stewardship

- ✓ Recover idle or misspent funds
- ✓ Ensure dollars serve intended public purposes

State–Federal Coordination

- ✓ Partnering with the Trump Administration to strengthen national fraud detection and enforcement efforts.

STATE DISCOVERY > SFOF COORDINATION > NATIONAL REFORM



OVERSIGHT IN ACTION

IN 2025 ALONE, SFOF MEMBERS DELIVERED:

\$5.7 BILLION

WASTE, FRAUD, AND ABUSE
UNCOVERED OR PREVENTED

\$22.3 BILLION

GENERATED OR RETURNED
THROUGH FINANCIAL
STEWARDSHIP

\$28 BILLION

TOTAL TAXPAYER VALUE
PROTECTED

State financial officers are America's frontline defense against financial mismanagement.
SFOF ensures these leaders can coordinate, share intelligence, and scale their impact nationwide.



THE SFOF REFORM AGENDA

HOW YOUR SUPPORT CAN STOP WASTE, FRAUD, AND ABUSE IN AMERICA, STATE BY STATE

HOW THE INVESTMENT IS DEPLOYED

1 Research & Policy Development
Develop oversight playbooks, investigative frameworks, and model legislation that states can deploy quickly.

2 State Oversight Coordination
Connect treasurers, auditors, and financial officers to share intelligence, best practices, and investigative findings.

3 National Task Forces
Launch targeted initiatives on key issues such as healthcare spending, ESG investing, financial fraud, and government efficiency.

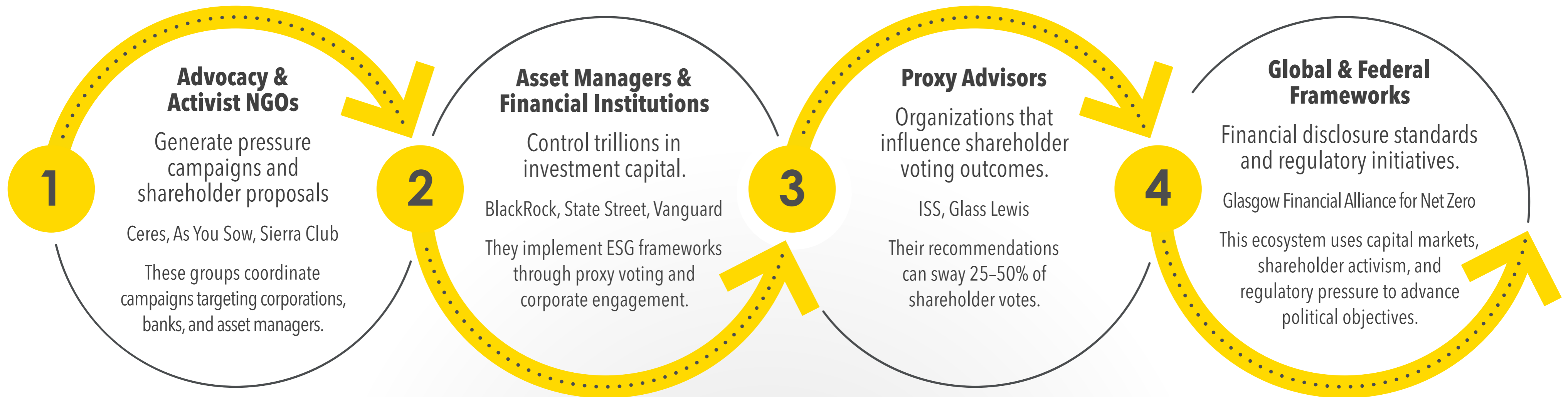
4 Data & Analysis
Identify improper payments, spending anomalies, and emerging financial risks across state programs.

5 Training & Collaboration
Provide policy briefings, conferences, and working groups that strengthen oversight capacity across states.

THE RESULT
Investment in SFOF builds the infrastructure that allows state financial officers to **detect, prevent, and recover billions in taxpayer dollars.**

THE ESG / FINANCIAL ACTIVISM ECOSYSTEM

A coordinated ecosystem of NGOs, financial institutions, and regulators is reshaping capital markets through ESG mandates and shareholder activism.



THE SFOF NETWORK IS UNIQUELY POSITIONED TO COUNTERBALANCE THIS INFLUENCE.



THE INVESTMENT OPPORTUNITY: BUILDING AMERICA'S FINANCIAL OVERSIGHT NETWORK

\$6.5 MILLION ANNUAL INVESTMENT

The question isn't whether waste, fraud, and abuse exist—it's whether the people elected to stop it have the tools to do their job.

THIS INVESTMENT BUILDS:

- Dedicated research and policy team
- National waste, fraud, and abuse response unit
- Expanded state oversight coordination
- Best-practices framework for federal agencies
- Expanded national conferences and policy collaboration

STRATEGIC IMPACT

With full capacity, SFOF will:

- Expand state-based fraud detection nationwide
- Build a federal blueprint for oversight reform
- Strengthen state-federal enforcement coordination
- Scale best practices across all 50 states

RETURN ON INVESTMENT

In 2025 alone – **\$28 Billion in taxpayer funds protected or returned.**

\$6.5M Investment > \$28B Taxpayer Impact

More than 4,000x return for taxpayers.

Scaling the SFOF network will expand these results nationwide.

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PROTECTED BY THE STATES.



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