

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
MINORITY (202) 225-5051

<https://oversight.house.gov>

January 13, 2023

The Honorable Larry D. Turner
Inspector General
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Dear Inspector General Turner,

The Committee is investigating rampant fraud and improper payments in the pandemic Unemployment Insurance (UI) program. Some public reports estimate \$400 billion, more than half of the \$794 billion in pandemic unemployment benefits, may have been fraudulently stolen.¹ Your office has estimated that at least \$163 billion in pandemic UI benefits were improperly paid, and identified “numerous instances of international organized criminal groups engaged in UI fraud.”² To assist us in conducting oversight of the Department of Labor’s efforts to prevent and detect UI fraud and improper payments, we request a briefing on your ongoing investigations related to the UI program. Furthermore, we request that you provide documents and communications related to your office’s oversight of DOL’s administration of the UI program.

In July of 2021, your office estimated there was at least \$87 billion in fraudulent and improper payments in the UI program.³ On December 21, 2021, the Secret Service announced it had more than 900 active criminal investigations totaling nearly \$100 billion in potentially fraudulent activity in the UI program and Small Business Administration programs.⁴ On February 8, 2022, the Secret Service briefed Committee Republican staff that even conservative estimates show there was more than \$100 billion of fraud in the UI program alone.⁵ On September 22, 2022, your office updated its estimates, now finding that 18.71 percent, or more than \$163 billion of pandemic UI payments were improper.⁶

These reports raise significant concerns about the oversight of taxpayer dollars in the UI program. These concerns are compounded by reporting that some states’ tracking of fraud and improper payments in the UI program was inaccurate. According to analysis by LexisNexis,

¹ Felix Salmon, *Half of the pandemic’s unemployment money may have been stolen*, AXIOS, (Jun. 10, 2021).

² *OIG Oversight of the Unemployment Insurance Program*, U.S. Dept. of Labor Office of Inspector General, (Sep. 22, 2022).

³ Cezary Podkul, *How Unemployment Insurance Fraud Exploded During the Pandemic*, PROPUBLICA, (Jul. 26, 2021).

⁴ *U.S. Secret Service Names National Pandemic Fraud Recovery Coordinator to Bolster Fight Against Fraud*, U.S. SECRET SERVICE, (Dec. 21, 2021).

⁵ Briefing by U.S. Secret Service National Pandemic Fraud Recovery Coordinator Roy Dotson, (Feb. 8, 2022).

⁶ *Supra* n. 2.

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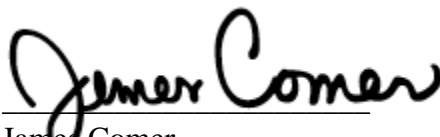
California had at least \$32.6 billion in improper payments, not the \$20 billion it has reported publicly.⁷ In New York, the Comptroller General estimated at least \$11 billion were lost due to fraud; however, that “understates the actual amount” due to outdated systems making them unable to determine the actual amount lost.⁸ The Pennsylvania Treasury Department found at least \$6 billion in unemployment fraud,⁹ but outside estimates believe it is more than \$10 billion.¹⁰

To aid our investigation into the rampant fraud and improper payments in the pandemic UI program, please make arrangements to brief Committee staff on your ongoing oversight of the UI program no later than January 27, 2023. Additionally, please provide the following documents and information no later than January 27, 2023:

- 1) All documents and communications related to the total amount of fraud and improper payments in the UI program;
- 2) All documents and communications related to the Office of the Inspector General’s review of individual states’ UI programs, including but not limited to, the State of New York, the State of California, and the Commonwealth of Pennsylvania; and
- 3) All documents and communications related to oversight of individual state UI programs.

To schedule the delivery of responsive documents, a briefing, or to ask any follow-up or related questions, please contact Committee staff at (202) 225-5074. The Committee on Oversight and Accountability is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X. Thank you in advance for your cooperation with this inquiry.

Sincerely,



James Comer
Chairman
Committee on Oversight & Accountability

cc: The Honorable Jamie Raskin, Ranking Member
Committee on Oversight & Accountability

⁷ David Manoucheri, *Analysis shows California EDD fraud at \$32.6 billion and counting*, KCRA, (Oct. 6, 2022).

⁸ *DiNapoli: Problems Caused by Outdated System Left State’s Unemployment Insurance Program Vulnerable to Fraud*, NY STATE COMPTROLLER GENERAL, (Nov. 15, 2022).

⁹ Tom Gantert, *About \$4.9B in unemployment fraud unrecovered in Pennsylvania*, The Center Square

¹⁰ *Part II: Billions of Dollars of Unemployment Aid Stolen From State Likely Won’t Be Recovered*, CBS PITTSBURGH, (Jan. 24, 2022).