

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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<https://oversight.house.gov>

January 13, 2023

The Honorable Martin J. Walsh
Secretary
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Dear Secretary Walsh,

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 The Department of Labor (DOL) Inspector General (IG) has estimated that at least \$163 billion in pandemic UI benefits were improperly paid.² The DOL IG also identified “numerous instances of international organized criminal groups engaged in UI fraud.”³ To enable oversight of DOL’s efforts to prevent and detect UI fraud and improper payments, we request that you provide documents and communications related to your office’s oversight of the UI program.

In July of 2021, the IG estimated there was at least \$87 billion in fraudulent and improper payments in the UI program.⁴ 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.⁵ 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.⁶ On September 22, 2022, the IG updated its estimates, now finding that 18.71 percent, or more than \$163 billion of pandemic UI payments were improper.⁷

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

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 *Id.*

⁴ Cezary Podkul, *How Unemployment Insurance Fraud Exploded During the Pandemic*, PROPUBLICA, (Jul. 26, 2021).

⁵ *U.S. Secret Service Names National Pandemic Fraud Recovery Coordinator to Bolster Fight Against Fraud*, U.S. SECRET SERVICE, (Dec. 21, 2021).

⁶ Briefing by U.S. Secret Service National Pandemic Fraud Recovery Coordinator Roy Dotson, (Feb. 8, 2022).

⁷ *Supra* n. 2.

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improper payments in the UI program was inaccurate. According to analysis by LexisNexis, California had at least \$32.6 billion in improper payments, not the \$20 billion it has reported publicly.⁸ 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.⁹ The Pennsylvania Treasury Department found at least \$6 billion in unemployment fraud,¹⁰ but outside estimates believe it is more than \$10 billion.¹¹

To aid our investigation into the rampant fraud and improper payments in the pandemic UI program, 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 between your office and the California Employment Development Department regarding the state of California’s UI program from March 1, 2020 to present;
- 3) All documents and communications between your office and the New York Department of Labor regarding the state of New York’s UI program from March 1, 2020 to present;
- 4) All documents and communications between your office and the Pennsylvania Department of Labor & Industry regarding the Commonwealth of Pennsylvania’s UI program from March 1, 2020 to present
- 5) All documents and communications related to the U.S. Department of Labor’s efforts to recoup improperly paid UI benefits; and
- 6) All documents and communications related to the U.S. Department of Labor’s efforts to prevent improper payments in the UI program.

To schedule the delivery of responsive documents or 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.

⁸ David Manoucheri, *Analysis shows California EDD fraud at \$32.6 billion and counting*, KCRA, (Oct. 6, 2022).

⁹ DiNapoli: *Problems Caused by Outdated System Left State’s Unemployment Insurance Program Vulnerable to Fraud*, NY STATE COMPTROLLER GENERAL, (Nov. 15, 2022).

¹⁰ Tom Gantert, *About \$4.9B in unemployment fraud unrecovered in Pennsylvania*, The Center Square

¹¹ *Part II: Billions of Dollars of Unemployment Aid Stolen From State Likely Won’t Be Recovered*, CBS PITTSBURGH, (Jan. 24, 2022).

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Sincerely,

A handwritten signature in black ink that reads "James Comer". The signature is written in a cursive style with a horizontal line underneath the name.

James Comer
Chairman
Committee on Oversight & Accountability

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