

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 Jennifer Berrier
Secretary
Pennsylvania Department of Labor & Industry
1700 Labor & Industry Building
Harrisburg, PA 17120

Dear Secretary Berrier,

The Committee is investigating the Commonwealth of Pennsylvania's unemployment insurance (UI) system after reports of billions of dollars of payments made by the Commonwealth for fraudulent claims.¹ By some accounts, "there has been \$6 billion in unemployment fraud in 2020 and 2021 in Pennsylvania," despite assertions that the Pennsylvania Department of Labor & Industry (L&I) "utilizes numerous fraud-detection measures."² That may be a conservative estimate, as some cyber experts believe that the \$6 billion number represents less than half the actual fraud amount.³ Only \$1.1 billion of those estimated \$6 billion improper payments have been recouped.⁴ We request documents and communications to assist the Committee in its investigation into the rampant fraud in Pennsylvania's UI system.

The billions of dollars Pennsylvania has reportedly doled out in fraudulent claims is especially concerning after your predecessor stated in 2020 that, "[u]nlike some other states, Pennsylvania is not seeing a large increase in unemployment scams since COVID-19 mitigation efforts began."⁵ While the Commonwealth spent \$35 million to upgrade its unemployment compensation system in June 2021, "a lack of safeguards to red-flag unemployment recipients when their accounts are hacked proved to be a serious problem."⁶ Moreover, "it wasn't until earlier this year that the state finally added multi-factor authentication for recipients to access accounts."⁷

Pennsylvanians paid the price for the Commonwealth's lack of preparedness. In some cases, legitimate claimants saw their unemployment insurance account hacked multiple times.⁸

¹ Tom Gantert, *About \$4.9B in Unemployment Fraud Unrecovered in Pennsylvania*, The Center Square (Aug. 11, 2022).

² *Id.*

³ Angie Moreschi, *How criminals got away with hacking Pennsylvania unemployment accounts*, WPXI NEWS (May 16, 2022).

⁴ *Supra*, n.1

⁵ *L&I Monitoring COVID-19 Unemployment Scams Across U.S., Pennsylvanians Should Stay Vigilant and Report Suspected Fraud*, Pennsylvania Government Pressroom – Department of Labor & Industry (May 23, 2020).

⁶ *Supra*, n.3.

⁷ *Id.*

⁸ *Id.*

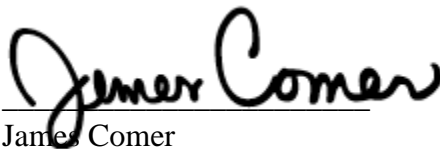
One woman, whose account was hacked twice, said that hackers “changed my password, they changed my username, and they changed my security questions,” and her bank account information, making it even more difficult to get the account back while hackers stole funds.⁹

To assist our investigation into the rampant fraud and improper payments in Pennsylvania’s UI system, please provide the following documents and communications, covering the time period March 1, 2020 to the present, no later than January 27, 2023:

1. All processes and procedures related to the disbursement of unemployment insurance benefits during the pandemic, including policies and procedures intended to ensure payments are made to the proper individual and to ensure that the individual is a qualified recipient of unemployment insurance;
2. All documents and communications between employees of the Pennsylvania L&I and employees of the U.S. Department of Labor regarding the state’s UI benefit program;
3. All documents and communications related to efforts to prevent payment of fraudulent UI claims;
4. All documents and communications related to efforts to recoup UI claims paid improperly; and
5. All documents and communications related to identifying the total number of improperly paid UI benefits and documents sufficient to show whether those funds remain in the United States or were transferred to entities outside the United States.

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.

Sincerely,



James Comer
Chairman
Committee on Oversight & Accountability

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

⁹ *Id.*