



Congress of the United States
House of Representatives
Washington, DC 20515

WASHINGTON, DC OFFICE
1533 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
PHONE: (202) 225-2506
FAX: (202) 225-5903

CONWAY DISTRICT OFFICE
1105 DEER STREET, SUITE 12
CONWAY, AR 72032
PHONE: (501) 358-3481
FAX: (501) 358-3494

LITTLE ROCK DISTRICT OFFICE
1501 NORTH UNIVERSITY AVENUE, SUITE 630
LITTLE ROCK, AR 72207
PHONE: (501) 324-5941
FAX: (501) 324-6029

November 16, 2022

The Honorable Deanne Criswell
Administrator
Federal Emergency Management Agency
500 C St SW
Washington, DC 20024

Dear Administrator Criswell:

I write today to inform you that your agency is the most recent recipient of my Golden Fleece Award. I am awarding the Golden Fleece to the Federal Emergency Management Agency (FEMA) for not implementing proper controls resulting in \$3.7 billion in improper payments by 21 State Workforce Agencies (SWA) from the lost wages assistance (LWA) program.

On March 27, 2020, President Trump signed into law the Coronavirus, Aid, Relief, and Economic Security (CARES) Act, which provided expanded unemployment insurance (UI) benefits to individuals who were unemployed due to COVID-19. Following this, on August 8, 2020, the President issued a memorandum directing FEMA to provide up to \$44 billion in LWA funds from the U.S. Department of Homeland Security Disaster Relief Fund to supplement UI payments.¹ In order to release payments as quickly as possible, FEMA fit LWA payments into the existing unemployment payment structures in the Department of Labor (DOL).

In an analysis conducted by the Homeland Security Office of Inspector General of SWA, UI, and LWA data, a survey of 21 SWAs found that out of \$3.7 billion, \$3.3 billion in payments were made that were later flagged as potentially fraudulent and over \$400 million was distributed to 294,000 people that were missing self-certification documentation.² The DHS OIG report concluded:

“By relying on states’ UI programs to distribute LWA funds, FEMA lost an opportunity to solidify controls over a multi-billion-dollar program that was already susceptible to fraud. FEMA also did not protect the Disaster Relief Fund from improper payments. Recovering these funds may be difficult, directly affecting FEMA’s ability to respond to future emergencies and disasters. In addition, we reiterate that self-certifications are insufficient documentation of claimants’ eligibility for financial assistance.”³

¹ Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019, Aug. 8, 2020.

² Department of Homeland Security Office of Inspector General “Federal Emergency Management Agency Did Not Implement Controls to Prevent More Than \$3.7 Billion in Improper Payments from the Lost Wages Assistance Program”, September 16, 2022, OIG-22-69, p.5.

³ Ibid, p.10.

Further, according to the report, 10 of the 21 SWAs that were reviewed stated that FEMA “did not provide formal guidance on implementing the LWA program” and 7 of 21 SWAs stated FEMA “did not provide enough guidance for verifying LWA claimants’ eligibility”.⁴

On May 31, 2022, I awarded a Golden Fleece to the DOL regarding their failures handling the UI program. That DOL OIG report found that the Pandemic Unemployment Assistance program was susceptible to fraud and that self-certification leads to increased improper payments. These combined reports illustrate that the structure of states’ UI programs and relationship with federal agencies is deeply flawed. I encourage your agency to take the IG’s recommendations into account, and should you require any additional authority from Congress to address these concerns, I urge you to notify us as soon as possible. I thank you for your consideration and look forward to working with you to address this important issue.

Sincerely,



French Hill
Member of Congress

⁴ Ibid, p.8.