Congress of the United States
Washington, DC 20515

July 2, 2021

Larry D. Turner
Acting Inspector General
U.S. Department of Labor
200 Constitution Avenue, NW
Room S-5502
Washington, DC 20210

Acting Inspector General Turner,

We write to express our deep concern regarding the potential theft of taxpayer dollars through fraudulent unemployment claims. In order to ensure our constituents' hard-earned tax dollars are being properly disbursed, we request you use the necessary resources to conduct an investigation to conclusively determine the amount of federal funds stolen through fraudulent unemployment claims during the pandemic, identify the states that had the most fraudulent claims filed and what policies, or lack thereof, allowed fraudulent claims to go undetected, and the extent to which such fraud was perpetrated by organized criminal networks.

On March 27, 2020, President Trump signed into law the bipartisan Coronavirus Aid, Relief, and Economic Security (CARES) Act. This landmark piece of legislation established multiple programs to help struggling Americans stay afloat through the coronavirus pandemic and subsequent economic turmoil. These programs, including Federal Pandemic Unemployment Compensation (FPUC), Pandemic Emergency Unemployment Compensation (PEUC), and Pandemic Unemployment Assistance (PUA), were created by Congress to provide financial assistance to an unprecedented number of Americans who lost their job during the pandemic through no fault of their own. Throughout the pandemic, Congress has allocated over $591 billion to the states to support these programs. According to the Department of Labor Employment and Training Administration, over 43.8 million Americans received benefits from these congressionally established programs in fiscal year (FY) 2020.

On April 10, 2021, Axios reported that criminals stole an estimated $400 billion in unemployment funds nationwide through fraudulent claims during the pandemic. If accurate, this staggering amount of stolen taxpayer dollars makes up an unacceptable portion of all the unemployment funds allocated to states by the federal government. Moreover, it is alleged that a large portion of these stolen funds were procured by international criminal syndicates based in China, Russia, and Nigeria, which then transferred this money overseas. Experts have stated that these criminals often use stolen identities to impersonate claimants and receive benefits reserved for out-of-work Americans.

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In a January 2021 report, the Government Accountability Office (GAO) noted that the Department of Labor (DOL) "does not collect or report reliable counts of the number of individuals claiming benefits." The GAO report stated that it recommended to DOL in November 2020 that the Department "pursue options to report the actual number of distinct individuals claiming benefits, such as by collecting these already available data from states, starting from January 2020 onward." However, the Department did not follow this recommendation, and, to date, none of the unemployment insurance program data that states report to DOL are actually person-based; rather, the reported program data only involve the number of claims and amount of benefits paid. This failure to institute the GAO recommendations may have allowed criminals to remain undetected as they siphoned taxpayer dollars away from those who needed it most.

On June 10, 2021, your office released a report on its oversight of the unemployment insurance program. In that report, it is stated that "the UI program experienced some of the highest improper payment rates among federal government programs." This report estimated that $87.3 billion in pandemic unemployment benefits could have been paid improperly. The stark discrepancy between this estimate and the Axios report must be resolved. The American people deserve to know the extent of this theft, and legislators must know what policies must be reformed in order to ensure this criminal activity does not continue.

To that end, we request you undertake a comprehensive investigation to determine exactly how many taxpayer dollars were stolen through fraudulent unemployment claims during the pandemic, which states were hardest hit by these crimes and what policies, or lack thereof, those states have in place that may have allowed fraudulent claims to go undetected, and the extent to which organized criminal networks were responsible for this theft.

Thank you for your attention to this important matter. We look forward to your response.

Sincerely,

Ann Wagner
Member of Congress

Robert J. Wittman
Member of Congress

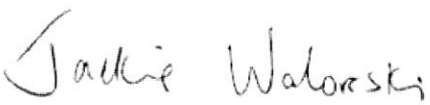
Burgess Owens
Member of Congress

Andy Barr
Member of Congress



Troy Balderson

Member of Congress



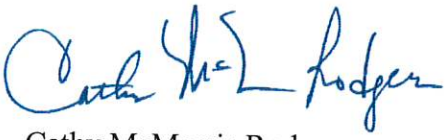
Jackie Walorski

Member of Congress



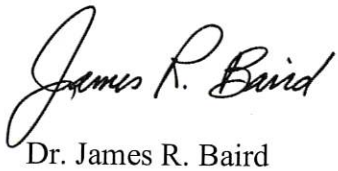
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