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July 8, 2010

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

Dear Mr. Turner,

We are writing to you today in order to express our concerns that the United States Department of Labor, Office of Inspector General has not conducted a comprehensive official audit regarding the amount of money fraudulent claims have stolen from the unemployment insurance (UI) program issued through the U.S. Department of Labor (DOL) and states' unemployment agencies during the COVID-19 pandemic.

As you know, on March 18, 2020, President Trump signed into law the Families First Coronavirus Response Act, which provided additional flexibility for state unemployment insurance agencies and additional administrative funding to respond to the COVID-19 pandemic. Unemployment programs were later expanded through the passage of the Coronavirus Aid, Relief, and Economic Security Act which was signed into law on March 27. While these programs were originally created to assist Americans struggling with forced COVID-19 lockdowns and the ensuing economic fallout, fraud against COVID-related unemployment assistance programs, including Pandemic Unemployment Assistance (PUA), has exploded over the past year. In fact, many non-American citizens/foreign nationals have stolen millions of taxpayer dollars.

While it has been predicted that fraudulent claims could have accounted for half of all the payments made throughout the pandemic, the government has not officially audited the issue. Recently, the IG conducted an audit on the "DOL's and states' implementation of the three new key UI programs that posed the greatest risk of fraud, waste, and abuse."¹ Through the investigation, the IG found that "many of the states did not perform the required and recommended improper payment detection and recovery activities: 40 percent of the states did

¹ U.S. Department of Labor, Report to the employment and training administration. May 2021
https://www.oig.dol.gov/public/reports/oa/2021/19-21-004-03-315.pdf?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosedge&stream=business

not perform required cross-matches and 38 percent did not perform required recovery activities.”²

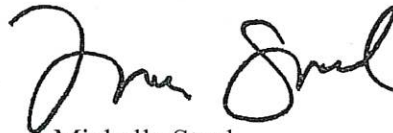
As a result of this mismanagement by states, the IG office predicts that \$89 billion of the estimated \$896 billion in federal unemployment program funds could have been paid improperly, basing the prediction on a historic improper payment rate of at least 10%. However, the security company ID.me estimates that possibly 50% of all claims equaling more than \$400 billion have been paid out improperly through fraud or errors since March 2020. This amount of fraud would account for almost 2% of the annual GDP.³ Even President Biden stated that “[t]here is perhaps no oversight issue inherited by my Administration that is as serious as the exploitation of relief programs by criminal syndicates using stolen identities to steal government benefits. Last year, this type of criminal behavior robbed American families of billions of dollars that should have gone to support small businesses and workers who had lost their jobs.”⁴

We know that fraudulent activity is still rampant in UI programs across the country. It is past time we learned how much of American taxpayers’ dollars have actually been given to fraudulent claims. We therefore urge that United States Department of Labor, Office of the Inspector General conduct an official audit to determine to what extent did fraud occur in COVID-related unemployment assistance programs, issued through the U.S. Department of Labor and how much did this fraud cost the American taxpayers.

Sincerely,



Doug Lamborn
Member of Congress



Michelle Steel
Member of Congress



Devin Nunes
Member of Congress



Doug LaMalfa
Member of Congress

² Ibid

³ Felix Salmon. Axios Capital. June 2021 https://www.axios.com/newsletters/axios-capital-5415038a-5568-4847-8661-63b02d9307b4.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosedge&stream=business

⁴ The White House, Statement of President Joe Biden on American Rescue Plan Oversight. May 2021 https://www.whitehouse.gov/briefing-room/statements-releases/2021/05/17/statement-of-president-joe-biden-on-american-rescue-plan-oversight/?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosedge&stream=business



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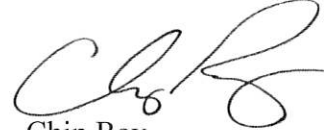
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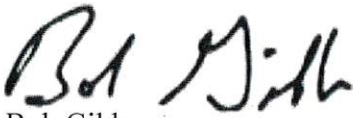
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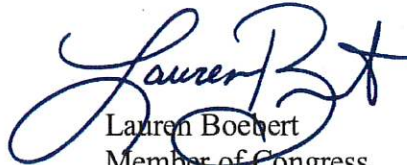
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