

May 5, 2023

The Honorable Kevin McCarthy
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles E. Schumer
Majority Leader
United State Senate
Washington, DC 20510

The Honorable Hakeem Jeffries
Minority Leader
U. S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington DC 20510

The Honorable Jason Smith
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Ron Wyden
Chairman
Finance Committee
United States Senate
Washington, DC 20510

The Honorable Jodey Arrington
Chairman
Budget Committee
U. S. House of Representatives
Washington, DC 20515

The Honorable Sheldon Whitehouse
Chairman
Budget Committee
United States Senate
Washington, DC 20510

Dear Speaker McCarthy, Majority Leader Schumer, Minority Leaders McConnell and Jeffries, Chairman Smith, Chairman Wyden, Chairman Arrington, and Chairman Whitehouse:

We are writing in support of the Protecting Taxpayers and Victims of Unemployment Fraud Act (HR 1163). This legislation will provide states with dedicated funding and authority to effectively avoid payment of fraudulent unemployment claims, improve the collection of outstanding overpayments, and enable prosecution of individuals in fraud rings that have stolen tens of billions of dollars from unemployment funds intended for individuals who became unemployed through no fault of their own.

In light of findings and recommendations from the Government Accountability Office (GAO) and the United States Department of Labor Office of Inspector General (OIG) this legislation would provide new tools for effective administration of unemployment insurance, including:

Incentivize states to recover fraudulent unemployment payments.

- Allow states to retain 25 percent of fraudulent federal funds recovered: Currently, state workforce agencies have little incentive to pursue costly investigations and prosecutions.
- Allow states to retain 5 percent of state UI overpayments recovered, upon meeting data matching integrity conditions, and dedicating such funds to preventing future fraud – reforms supported by DOL-IG, and in past budget requests by President Trump and President Obama.

Improve program integrity and prevent future fraud.

- Allow states to use funds recovered to improve UI program integrity and fraud prevention:
 - o Hiring investigators and prosecutors to go after criminals to recover fraud payments;
 - o Modernizing state systems' ability to verify identity and income for unemployment; and
 - o Additional program integrity activities as determined by the state to deter, detect, and prevent improper payments;
 - o Ensures UI claims are verified against the National Directory of New Hires (NDNH) and the State Information Data Exchange System.
 - o Stops UI payments to incarcerated and deceased people.

Extend the statute of limitations for civil actions and criminal charges prosecuting fraud from 5 to 10 years, as recommended by the Pandemic Response Accountability Committee in testimony provided to the Ways and Means Committee.

Federal appropriations for UI integrity and systems functions have been insufficient to assure that states have the capacity and ability to modernize IT infrastructure and systems. The new legislative authority provided by this Act will enable states to use the new funding methods in addition to receiving funding provided through the regular federal appropriations process.

We urge you to favorably consider the Protecting Taxpayers and Victims of Unemployment Fraud Act (HR 1163) to address the ongoing integrity issues related to the Unemployment Insurance system.

Sincerely,

AGC Alabama Construction Industry Services, Inc.
American Staffing Association
Associated General Contractors of America
Associated Industries of Florida
Associated Industries of Massachusetts
Associated Industries of Missouri
Associated Industries of Vermont
Association of Unemployment Tax Organizations
California Chamber of Commerce
Catapult
Connecticut Business & Industry Association
Equifax Workforce Solutions
Experian
First Non-Profit
501(C) Agencies Trust
HR Answers
Idaho Hospital Association
Industrial U.I. Services
Illinois Chamber of Commerce
Illinois Manufacturers' Association
Illinois Retail Merchants Association

Iowa Association of Business and Industry
Kansas Chamber of Commerce
Kentucky Chamber of Commerce
Laurdan Associates, Inc.
Louisiana Association of Business and Industry
Maryland Retailers Association,
Maryland Association of Chain Drug stores
The Maryland Food Industry Council
Michigan Chamber of Commerce
Michigan Manufacturers Association
Michigan Health & Hospital Association
Mississippi Hospital Association
Missouri Chamber of Commerce and Industry
National Federation of Independent Business
National Payroll Reporting Consortium (“NPRC”)
The National Association of Professional Employer Organizations
Nebraska Chamber of Commerce
New Jersey State Chamber of Commerce
The Nonprofit Trust
North Carolina Home Builders Association
North Carolina Retail Merchants Association
Ohio Chamber of Commerce
Ohio Manufacturers’ Association
The State Chamber of Oklahoma
On Point Technology
Pennsylvania Chamber of Business and Industry
People Systems
Renaissance Unemployment Insurance Consultants
Retailers Association of Massachusetts
Tennessee Chamber of Commerce and Industry
Thomas and Company
UWC – Strategic Services on Unemployment & Workers’ Compensation
Unemployment Services Corp.
Unemployment Services Trust Workforce Solutions
Unemployment Tax Control Associates, Inc. (UTCA)
Unemployment Tax Management Corporation
Unemployment Tracker
U.S. Chamber of Commerce
Washington Retail Association