

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