

AUDITEE RESPONSE TO DRAFT REPORT



LOUISIANA WORKS
DEPARTMENT OF LABOR

Kathleen Babineaux Blanco
Governor

John Warner Smith
Secretary

January 8, 2007

OFFICE OF THE SECRETARY

Mr. Orval F. Harden, CPA
Assistant Regional Inspector General for Audit
U. S. Department of Labor
Office of Inspector General
1999 Broadway, Suite 1745
Denver, CO 80202

Dear Mr. Harden:

This is in response to your findings and recommendations regarding Louisiana's payment of hurricane-related unemployment claims. Listed below is our response:

- LDOL is committed to continuing investigations to identify persons responsible for fraudulently obtaining DUA and UC benefits. We will also seek recovery of the \$1 million in overpayments already identified and work with the Office of Inspector General's (OIG) Office of Labor Racketeering and Fraud Investigations (OLRFI) to prosecute those in violation of state and Federal laws.
- We are in communication with the Dallas Regional Office for assistance in obtaining the Death Master File from the US Department of Commerce. As soon as a data sharing agreement is in place we will begin utilizing this data to ensure that UI benefits are not paid on claims containing SSN's assigned to deceased individuals.
- We have submitted a data sharing agreement to the Social Security Administration (SSA) for their perusal. Upon return we will ratify the agreement. We are securing a contractor for an independent validation and verification (IV&V) of the system. When this is complete we will implement the real-time connection with SSA.

We are committed to protecting the integrity of the UI Trust Fund and we will continue to utilize all controls to prevent fraud and abuse in the system.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Smith", is written over a faint, dotted grid background.

John Warner Smith
Secretary of Labor
JWS:MS:ae