



BRIEFLY...

COVID-19: ETA COULD HAVE DONE MORE TO ENSURE STATES HAD SUFFICIENT STAFFING TO DELIVER TIMELY PANDEMIC UNEMPLOYMENT BENEFITS

WHY WE DID THE AUDIT

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided expanded unemployment insurance (UI) benefits to workers unable to work due to the COVID-19 pandemic. Section 2106 of the CARES Act provided emergency hiring flexibility and other temporary actions to process unemployment claims quickly.

Our prior audit work found states' staffing was a concern in implementing emergency UI programs. Based on these risks, we contracted with GenTech Associates, Inc. (GenTech) to answer the following question:

Did the Employment and Training Administration (ETA) ensure states' staffing supported the implementation of UI programs under the CARES Act and its amendments?

To answer this question, GenTech assessed ETA's oversight, performed in-depth testing of 6 OIG-selected states, and surveyed an additional 47 state workforce agencies.

READ THE FULL REPORT

For more information, go to:

<https://www.oig.dol.gov/public/reports/oa/2025/19-25-002-03-315.pdf>.

WHAT WE FOUND

GenTech found ETA took several actions toward ensuring states' staffing supported the implementation of CARES Act UI programs. However, more actions were needed to ensure staffing levels were sufficient to afford timely benefits to eligible claimants. Specifically, ETA:

- provided states funding that could be used to improve staffing levels, but did not measure the impact of that funding nor determine the sufficiency of increased staffing levels in implementing the new UI programs;
- issued guidance for monitoring states' staffing support, but did not do so until October 2020, 6 months after Congress passed the CARES Act;
- monitored states' UI program performance, but did not recommend corrective actions to address states' staffing issues; and
- allowed states the flexibility to reassign Benefit Accuracy Measurement staff to claims processing, but did not evaluate the resulting impairments to measuring improper payments.

These deficiencies occurred because ETA did not prioritize the oversight of states' staffing during the COVID-19 emergency. Specifically, ETA: (1) did not establish a benefit payment timeliness standard for CARES Act UI programs; (2) did not recognize the need for urgency in issuing monitoring guidance for the temporary programs; (3) allowed monitoring personnel the discretion to classify staffing as an area of concern rather than a compliance issue requiring corrective action; and (4) prioritized processing the volume of UI claims over measuring the accuracy of UI payments, specifically improper payments when suspending the Benefit Accuracy Measurement system as a strategy to address states' staffing needs.

As a result, from April 2020 through September 2021, the 6 states were only able to pay 70 percent of initial claims (3.6 million of 5.2 million) within 21 days, compared to the 87 percent standard ETA applies to regular UI. The quarterly percentage of claims paid within 21 days ranged from 51 percent to 81 percent. Furthermore, ETA's suspension of the Benefit Accuracy Measurement system impaired ETA's ability to assess the integrity of the new UI programs with respect to improper payments, including fraud.

WHAT WE RECOMMENDED

GenTech made four recommendations to ETA to improve its oversight and support of states' staffing needs during an emergency event. ETA did not agree with the four recommendations; however, ETA's proposed corrective action met the intent of one recommendation.