



BRIEFLY...

COVID-19: ETA Needs to Improve Its Oversight of States' Efforts to Identify UI Fraud Using Suspicious Email Accounts

Why We Did the Audit

As of September 2022, the OIG had reported a cumulative \$45.6 billion paid in four high-risk areas of unemployment insurance (UI) fraud the OIG had identified; claimants using suspicious email accounts—\$16.3 billion—was the third largest area. The OIG shared its data and methodology for identifying those claimants with the Employment and Training Administration (ETA). ETA is responsible for providing states with UI program direction and oversight; the states are responsible for ensuring UI payments go only to eligible claimants and for making determinations of fraud.

Based on the OIG's concerns regarding UI benefits paid in each of the high-risk areas, the OIG began a series of four audits; this is the third in the series. Specifically, for claimants using suspicious email accounts, we contracted with Regis & Associates, P.C. (Regis) to answer the following question:

To what extent have ETA and state workforce agencies (SWA) addressed potentially fraudulent CARES Act UI claims filed using suspicious email accounts?

Read the Full Report

For more information, go to:
<https://www.oig.dol.gov/public/reports/oa/2025/19-25-007-03-315.pdf>.

What We Found

Regis found the 10 SWAs selected for testing confirmed some claimants filed fraudulent UI claims using suspicious email accounts. However, ETA took limited action to ensure states properly addressed the potentially fraudulent UI claims. While ETA transmitted claimant data associated with potentially fraudulent UI claims to the 53 SWAs and Guam, including instructions and requirements on investigations and due process, ETA did not perform the following oversight actions:

- monitor nor require states to report the results of research or investigations of potentially fraudulent UI claims, which would have assisted ETA in identifying high-risk areas for UI fraud;
- ensure the National Association of State Workforce Agencies' Integrity Data Hub (IDH) effectively provided states with useful information to assist in identifying UI fraud; or
- ensure states consistently established and reported fraudulent overpayments distributed to imposter claimants or identify systemic weaknesses that resulted in states reporting zero fraudulent overpayments when UI fraud risk was at its height during the pandemic.

These deficiencies occurred because ETA considered its oversight responsibilities to be limited. Specifically, ETA: (1) did not consider monitoring the results of states' research and investigations as part of its responsibilities, (2) measured IDH effectiveness by the number of claims submitted to and flagged by the IDH rather than by the outcomes of states' fraud investigations, and (3) did not detect states' information technology systems or staffing were insufficient to establish or report fraudulent overpayments.

Without knowledge of the states' investigative results, ETA's ability to assess UI program performance, identify high-risk areas, and provide states with additional tools and guidance to prevent fraudulent overpayments was impaired. In addition, without ETA establishing an outcome-based metric for IDH cross-matches, ETA was unable to determine the IDH's effectiveness in assisting states with identifying fraud.

The OIG selected 168 claimants that filed potentially fraudulent UI claims across 10 SWAs for Regis to test. Regis determined \$591,045 in UI benefits were paid, and the states confirmed \$83,376 (14 percent) was fraudulent.

What We Recommended

Regis did not make any new recommendations in this report. To address the issues identified in this report and improve ETA's oversight of states' efforts to identify fraudulent UI claims, Regis made three recommendations to ETA in the first report of this series, with which ETA generally agreed. That report, including ETA's responses to the recommendations, is available at:
<https://www.oig.dol.gov/public/reports/oa/2025/19-25-004-03-315.pdf>.