



BRIEFLY...

COVID-19: ETA Needs to Improve Its Oversight of States' Efforts to Identify UI Fraud Using Federal Prisoners' Social Security Numbers

Why We Did the Audit

As of September 2022, the OIG had reported a cumulative \$45.6 billion (questioned costs) paid in four high-risk areas of unemployment insurance (UI) fraud the OIG had identified; claimants using federal prisoners' Social Security numbers (SSN)—\$267.3 million—was the fourth 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 four high-risk areas, the OIG began a series of audits; this is the fourth and final audit in the series. Specifically, for claimants using federal prisoners' SSNs, we contracted with Regis & Associates, PC (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 federal prisoners' SSNs?

Read the Full Report

For more information, go to:
<https://www.oig.dol.gov/public/reports/oa/2026/19-26-002-03-315.pdf>.

What We Found

Regis found 1 of the 10 SWAs tested confirmed 1 claimant filed fraudulent UI claims using a federal prisoner's SSN—although more could have gone undetected by SWAs. ETA took limited action to ensure states properly addressed potentially fraudulent UI claims filed using federal prisoners' SSNs. While ETA transmitted claimant data associated with those claims to the 53 SWAs and Guam, including instructions and investigative requirements, 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;
- ensure states had timely access to the Social Security Administration's Prisoner Update Processing System (PUPS) through the Interstate Connection Network to perform incarceration cross-matches to detect UI fraud; or
- ensure states consistently established and reported fraudulent overpayments made to imposter claimants or identify systemic weaknesses that resulted in states reporting zero fraudulent overpayments when UI fraud risk was at its height.

The first deficiency occurred because ETA considered its oversight responsibilities to be limited. Specifically, ETA did not consider monitoring the results of states' research and investigations as part of its responsibilities. The remaining deficiencies occurred because states' information technology systems and staffing challenges hindered states' abilities to: (1) obtain timely access to PUPS data to perform incarceration cross-matches and (2) establish or report fraudulent overpayments.

Without knowledge of the states' investigative results or complete fraudulent overpayment reporting, 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 SWAs' implementation of PUPS, fraudulent overpayments to individuals using federal prisoners' SSNs likely went undetected.

The OIG selected 160 claimants that filed potentially fraudulent UI claims across 10 SWAs for Regis to test. Regis determined \$684,475 in UI benefits were paid; states confirmed \$135,642 (20 percent) of that was fraudulent, including \$27,240 on fraudulent claims associated with 1 federal prisoner's SSN.

What We Recommended

To address some issues identified in this report and improve ETA's oversight of states' efforts to identify fraud, Regis made two recommendations in this report, with which ETA agreed. Regis also made two recommendations (Numbers 1 and 3), with which ETA generally agreed, in the first report of this series that address the remaining issues. That report can be found at:
[OIG Report No. 19-25-004-03-315](https://www.oig.dol.gov/public/reports/oa/2026/19-25-004-03-315.pdf).