




May 22, 2026

MEMORANDUM FOR: LAURA B. NICOLosi
Assistant Inspector General for Audit

FROM: HENRY MACK, ED.D. 
Assistant Secretary for Employment and Training

SUBJECT: Response to Draft Report – *COVID-19: ETA Needs to Improve Its Oversight of States' Efforts to Identify UI Fraud Using Federal Prisoners' Social Security Numbers*,
Report No. XX-XX-XXX-XX-XXX

The U.S. Department of Labor's (Department) Employment and Training Administration (ETA) appreciates the opportunity to respond to the above-referenced draft report from the Office of Inspector General (OIG) regarding efforts to identify potentially fraudulent unemployment insurance (UI) claims filed using federal prisoners' Social Security numbers.

The Department is committed to taking aggressive action to reduce fraud, waste, and abuse in the UI program, but agrees that more work is necessary. This is a top priority for ETA, and the Agency continues to take important steps to further this goal. In response to other recent reports by the OIG, ETA will continue to hold states accountable and work with relevant stakeholders to ensure sufficient efforts are in place to prevent fraudulent activities.

Responses to the OIG Recommendations

Please find below each of the OIG's recommendations contained in the draft report, followed by ETA's response to each of the recommendations.

Recommendation 1: Ensure Congress is made aware of the continued need to mandate the use of systems designated by the U.S. Secretary of Labor, such as PUPS [Prisoner Update Processing System], for cross-matching federal incarceration data.

ETA Response: ETA agrees with this recommendation and will explore potential avenues to improve Congressional awareness of this matter.

The Administrator of the Office of Unemployment Insurance and the Acting Administrator of the Office of Policy Development and Research are responsible for the implementation of this recommendation.

Recommendation 2: Work with the U.S. Department of the Treasury’s Bureau of Fiscal Services, Bureau of Prisons, and NASWA [National Association of State Workforce Agencies] / CESER [Center for Employment Security Education and Research] to facilitate states’ streamlined access to federal incarceration data leveraging the Do Not Pay initiative and the Integrity Data Hub.

ETA Response: ETA agrees with this recommendation. In recent years, ETA has successfully facilitated a connection between the U.S. Department of the Treasury’s Bureau of Fiscal Service Do Not Pay (DNP) and the Integrity Data Hub (IDH) that is offered cost-free to the 52 state workforce agencies that currently participate. The IDH is currently set up to facilitate information sharing with states from DNP’s Death Master File, as well as from other critical payment integrity data sources and services. ETA is actively engaged with DNP and the IDH to incorporate additional data sources, including federal prisoner information from the Bureau of Prisons (BOP). Currently BOP’s System of Records Notice only allows federal programs access to BOP’s federal prisoner information, thus preventing access to the data for federally funded, state administered programs, like the UI program. ETA has made DNP and BOP aware of the urgent need to access the federal prisoner data for the UI program.

ETA respectfully requests that the OIG change the reference to “NASWA/CESER” in this recommendation to “UI Integrity Center” when issuing the final report, as this more accurately reflects the entity ETA will be working with to resolve and close this recommendation.

The Administrator of the Office of Unemployment Insurance is responsible for the implementation of this recommendation.