

# Semiannual Report to Congress

*Office of Inspector General for the U.S. Department of Labor*





# A Message from the Inspector General

I am pleased to present our *Semiannual Report to Congress*, summarizing the activities and accomplishments of the U.S. Department of Labor (DOL), Office of Inspector General (OIG), for the six-month period ending March 31, 2026.



## War on Fraud

In March 2026, I was honored to be appointed to serve on President Donald J. Trump’s Task Force to Eliminate Fraud, a government-wide initiative led by Vice President JD Vance to crush waste, fraud, and abuse across every corner of the federal government. This Task Force isn’t about talk—it’s about investigations, arrests, prosecutions, and the clawing back of stolen taxpayer dollars. We are declaring total war on fraud. Working together with our federal partners, including the U.S. Department of Justice, we will relentlessly hunt down these fraudsters, no matter where they hide or the sophistication of their scams.

As I’ve previously stated, this is not business as usual. The OIG has gone on the offense against fraud. We will track it, expose it, and shut it down. Working alongside our federal partners amplifies our mission to dismantle fraud schemes and deliver real accountability.

In fact, my team has already identified nearly \$1 billion in stolen taxpayer dollars, and we are determined to claw it back and return it to the American people. Fraud is nothing less than a direct tax on every family—a theft you never voted for and should never have to pay. It is not victimless, and it burdens every hardworking taxpayer.

The OIG is unleashing investigators to hunt down these criminals. And the war on fraud means going after every fraudster—no scheme is too small, and no one gets a pass. My message is simple: if you steal from the American people, we are coming for you.

Much of the following work exemplifies my vision in the OIG’s ongoing battle against those perpetrators who seek to exploit DOL benefit programs.

## OIG Accomplishments

Our investigative work also produced impressive results, with a total of 133 investigations completed, 131 indictments, 191 convictions, and more than \$810 million in monetary accomplishments.

In February 2026, my office issued a press release announcing the issuance of two alert memos (December 2025 and February 2026) to DOL's Employment and Training Administration (ETA) about our investigative review of prepaid unemployment insurance (UI) card accounts which found that American taxpayers could lose approximately \$912 million potentially tied to pandemic UI fraud. After analyzing 6.5 million prepaid debit cards, OIG investigators found \$720 million still loaded on unused cards and another \$192 million already transferred to state unclaimed property offices. The alert memos called upon ETA to issue immediate guidance directing the states to work with financial institutions and unclaimed property administrators to recover the funds.

Notable investigative cases during this reporting period include:

- Three Florida residents were sentenced for their roles in a pandemic-related UI fraud scheme that defrauded the state of California of more than \$4.8 million in COVID-19 UI benefits through the submission of fraudulent claims.
- Two brothers were sentenced to 36 months supervised release and ordered to pay approximately \$2.9 million in restitution for a scheme in which they obtained the personally identifiable information of identity theft victims and used this information to file fraudulent claims for Pandemic Unemployment Assistance benefits.
- A former contractor with the Michigan Unemployment Insurance Agency (UIA) was sentenced to 3 years of probation and ordered to pay more than \$1.6 million in restitution related to her role in a UI fraud scheme. Additionally, a former Michigan UIA examiner pled guilty to conspiracy to commit federal program bribery related to the scheme.
- A Texas orthopedic surgeon was sentenced to 102 months in prison and ordered to pay more than \$13 million in restitution for his role in a \$145 million scheme to defraud DOL's Office of Workers' Compensation Programs (OWCP) through the submission of fraudulent claims for prescription compound creams.
- A chiropractor pled guilty to conspiracy to commit healthcare fraud for his role in a multimillion-dollar scheme to defraud OWCP. As part of his plea, he agreed that more than \$1.1 million in seized funds and property constituted proceeds of the fraud scheme.

Unfortunately, the statute of limitations for many of our UI investigations have begun to expire. Unless Congress acts quickly, the opportunity to extend the SOL associated with pandemic-related fraud will soon be lost. Despite our tireless efforts, a failure to extend the current statute of limitations means federal law enforcement will have to stop short of fully investigating and prosecuting some of the most egregious cases of pandemic UI fraud.

On the audit front, the Office of Audit issued eight audit reports, resulting in three recommendations and an estimated \$8,436,366 in questioned costs.

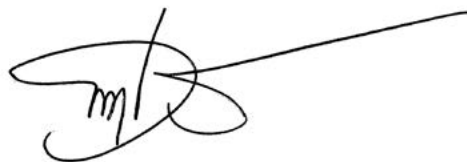
- An audit found that the COVID-19 pandemic minimally affected the overall operations and effectiveness of the Jobs for Veterans State Grants program in providing training

and employment services to eligible veterans and spouses with significant barriers to employment, as well as other eligible persons, as evidenced by the program reportedly meeting or exceeding its employment rate goals. However, this apparent success may be misleading due to weaknesses identified in the program's eligibility validation practices.

These accomplishments would not be possible without my team's commitment to relentlessly fight waste, fraud, and abuse in DOL programs and operations. It is an honor to lead my professional staff in serving as good stewards of taxpayer funds.

I encourage Congress to join the War on Fraud and pass comprehensive legislation that strengthens oversight and extends tools to prosecute fraud. This includes extending the statute of limitations for pandemic-related UI fraud, rewarding whistleblowers, and recovering stolen funds. This is the kind of accountability taxpayers deserve.

The war on fraud is on, and we are not backing down.

A handwritten signature in black ink, appearing to read 'm/d', with a long horizontal line extending to the right.

Anthony P. D'Esposito  
Inspector General

## OIG Mission

We serve the American people, DOL, and Congress by providing independent and objective oversight of Departmental programs through audits and investigations, and by combatting the influence of labor racketeering in the workplace.

## Core Values

### **Excellence**

We deliver relevant, quality, timely, high-impact products and services, through a workforce committed to accountability and the highest professional standards.

### **Integrity**

We adhere to the highest ethical principles and perform our work in an honest and trustworthy manner.

### **Independence**

We are committed to being free of conflicts of interest through objectivity and impartiality.

### **Service**

We are a unified team, vigilant to duty through dedicated public service.

### **Transparency**

We promote an environment of open communication through information sharing, accountability, and accurate reporting.

## Strategic Goals

**Goal 1:** Deliver timely, relevant, and high-impact results.

**Goal 2:** Foster an internal OIG culture that drives high performance and engagement.

**Goal 3:** Promote responsible stewardship of OIG financial and non-financial resources.

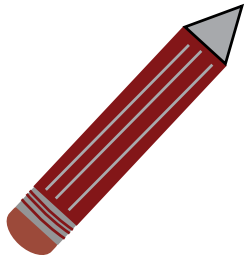
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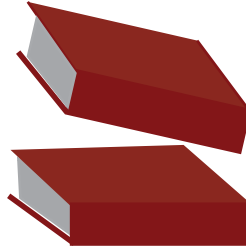
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# Audit Statistics

**8**  
Audits and  
Other Reports Issued



**3**  
Recommendations for  
Corrective Action



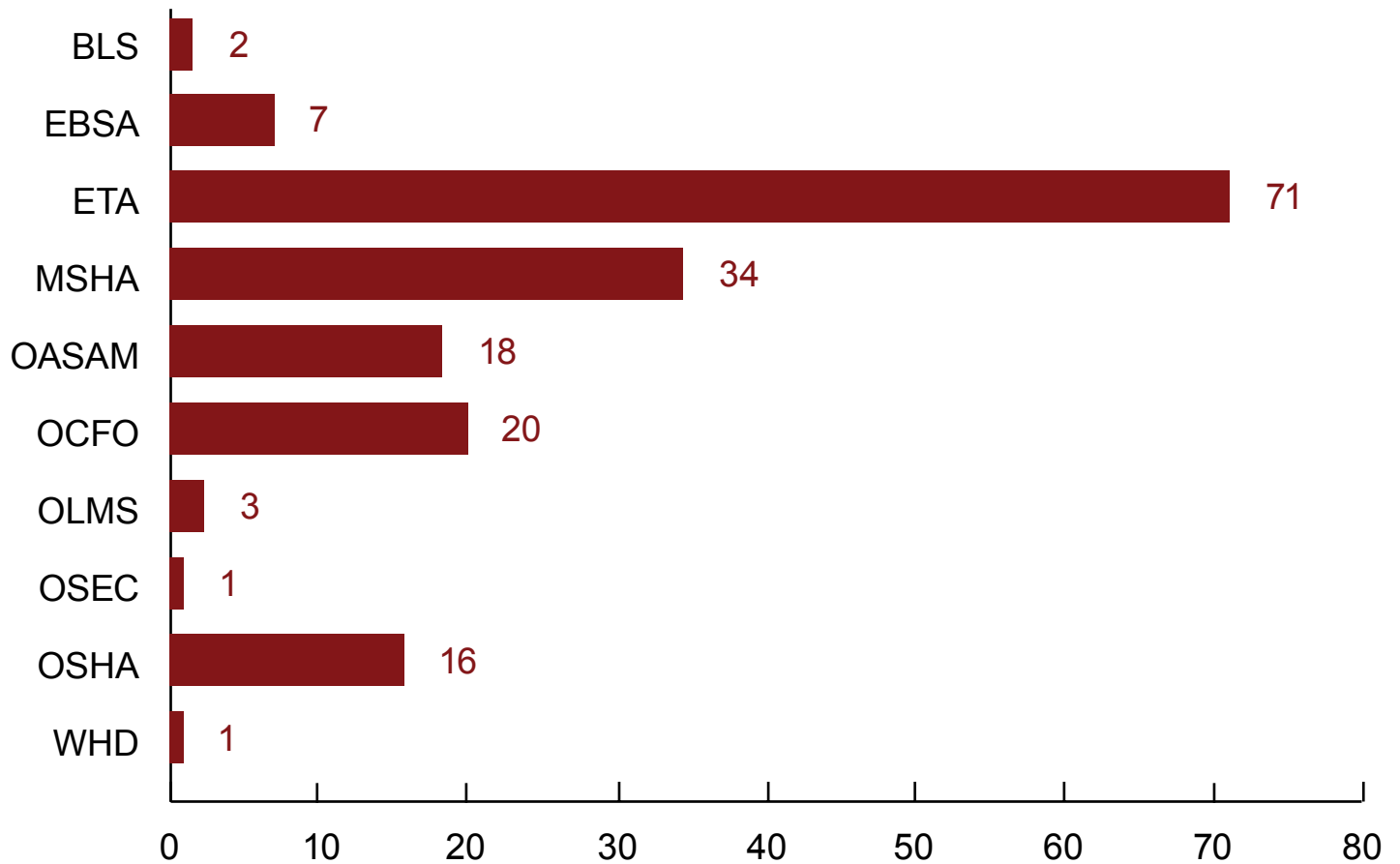
**\$8,436,366**

Questioned Costs



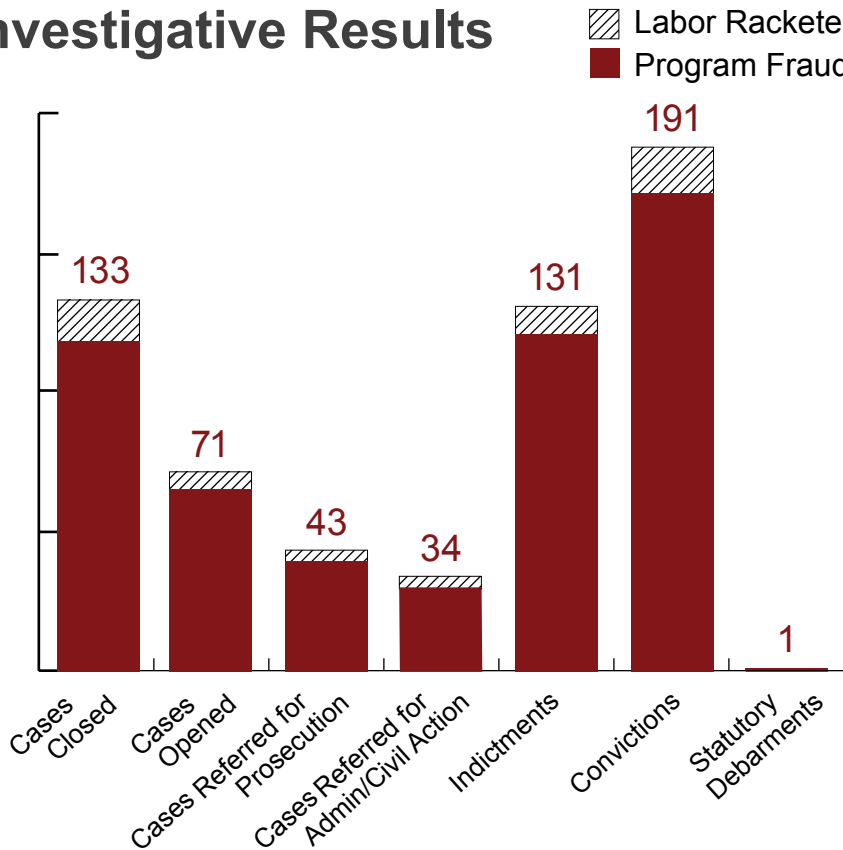
## OIG Unimplemented Recommendations

*OIG recommendations not fully implemented as of September 30, 2025*

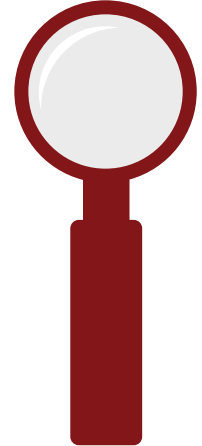


# Investigative Statistics

## Investigative Results

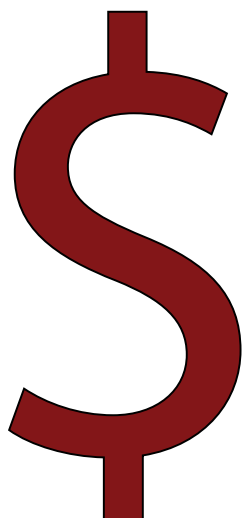


**71/133**



71 investigative cases opened and 133 cases closed

## Monetary Accomplishments



Types include:

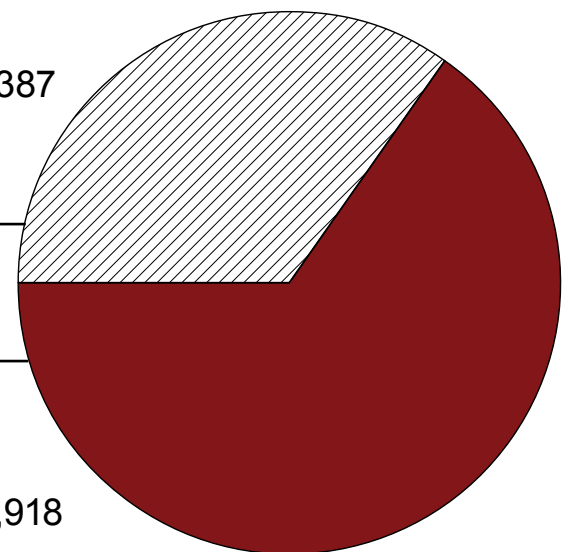
- Recoveries
- Cost-Efficiencies
- Restitutions
- Fines/Penalties
- Forfeitures
- Civil Monetary Actions

**\$810,394,305**

Total

\$282,508,387

\$527,885,918



Labor Racketeering  
 Program Fraud



# Worker and Retiree Benefit Programs



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**Unemployment Insurance Programs**

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**Office of Workers'  
Compensation Programs**

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# Unemployment Insurance Programs

*Enacted more than 80 years ago as a federal-state partnership, the unemployment insurance (UI) program is the Department's largest income-maintenance program. This multi-billion-dollar program provides unemployment benefits to eligible workers who become unemployed through no fault of their own. Within the UI program umbrella are other programs such as State UI, Unemployment Compensation for Federal Employees, and Unemployment Compensation for Ex-Servicemembers. The UI program is generally administered by states with oversight from DOL's Employment and Training Administration.*

*The UI program has experienced some of the highest improper payment rates across the federal government, generally exceeding 10 percent for the last two decades.*

## **DOL OIG UNCOVERS NEARLY \$1 BILLION IN TAXPAYER MONEY AT RISK—TIED TO COVID UNEMPLOYMENT FRAUD**

As part of its continued commitment to combatting pandemic-era fraud, the Department of Labor, Office of Inspector General (DOL OIG) conducted a review of prepaid UI card accounts that were managed by four major financial institutions during the pandemic. After completing its analysis of two of these financial institutions, the OIG revealed that over \$1.3 billion in UI funds are currently associated with more than 6.5 million prepaid card accounts. Specifically, around \$1 billion remains on 5.9 million accounts, while approximately \$267 million has already been escheated, meaning it has been returned to state unclaimed property administrators. Of these funds, the OIG identified approximately \$912 million that may have been obtained through fraudulent means, tied to nearly 3.9 million accounts.

Considering these findings, DOL OIG assessed a significant risk of potential taxpayer fund losses and has recommended that the Employment and Training Administration (ETA) provide timely guidance for state workforce agencies (SWA) to engage with the OIG and relevant financial institutions. This engagement aims to thoroughly evaluate the implications of the identified fraudulent activities and develop appropriate measures to protect taxpayer interests. The data also outlines the balances on prepaid cards, including specifics on the number of cards linked to fraud-related claims, underlining the gravity of the situation.

For more information, go to [Alert Memo: ETA Needs to Ensure SWAs Take Action to Recover Significant UI Holdings Still Held by Financial Institution 1's Prepaid Card Program](#), [Alert Memo: ETA Needs to Ensure SWAs Take Action to Recover Significant UI Holdings Still Held by Financial Institution 2's Prepaid Card Program](#), and [Press Release](#).

## Worker and Retiree Benefit Programs

### Florida Residents Sentenced in \$4.8 Million Pandemic Unemployment Insurance Fraud Scheme

In November 2025, three defendants were sentenced for their roles in a pandemic-related UI fraud scheme that defrauded the California Employment Development Department (CA EDD) of more than \$4.8 million in COVID-19 UI benefits through the submission of fraudulent claims.

During this period, the following actions occurred:

- Michael Amparo Suarez was sentenced on November 10, 2025, to 69 months in prison and ordered to pay restitution of more than \$1.3 million to CA EDD.
- Bryan Seda Morales was sentenced on November 12, 2025, to 78 months in prison and ordered to pay restitution of approximately \$1.7 million to CA EDD.
- Abel Bonilla was sentenced on November 13, 2025, to 46 months in prison and ordered to pay restitution of more than \$4.8 million to CA EDD.

From August 2020 through August 2022, Bonilla, Morales, Suarez, and co-conspirators submitted at least 357 fraudulent UI applications to CA EDD by utilizing personal identifiable information (PII) from dozens of victims without their authorization. They would then facilitate the submission of CA EDD UI applications via ID.me by creating counterfeit drivers' licenses with the identity theft victims' PII and the co-conspirators' faces. They used multiple vehicles to travel and withdraw UI funds from ATMs throughout the states of Florida and Maryland. The scheme resulted in the subsequent theft of at least \$4.8 million from CA EDD.

This was a joint investigation with the Homeland Security Investigations (HSI) as part of the Southern District of Florida Miami COVID-19 Strike Force. *United States v. Perla Bonilla et al.* (S.D. Florida)

### Four Individuals Sentenced and One Pled Guilty in an Unemployment Insurance Fraud Scheme

Between November 2025 and February 2026, four defendants were sentenced and one other pled guilty for their roles in an UI scheme that defrauded the federal government, CA EDD, and a financial institution of funds that were earmarked for COVID-19 pandemic relief.

During this period, the following actions occurred:

- On November 7, 2025, Khi Simms was sentenced to 102 months in prison and ordered to pay, jointly and severally, restitution of approximately \$2.7 million.
- On November 19, 2025, Quentin Watson was sentenced to 6 months in prison and ordered to pay, jointly and severally, restitution of approximately \$1 million.

## Worker and Retiree Benefit Programs

- On December 2, 2025, Racie Phillips pled guilty to conspiracy to commit bank fraud.
- On February 5, 2026, Cornelius Williams was sentenced to 4 months of home detention and ordered to pay restitution of approximately \$32,700.
- On February 25, 2026, Kaylah Banks was sentenced to time served and ordered to pay restitution of approximately \$105,000.

From approximately January 2021 to August 2021, Simms, Watson, Phillips, Banks, Williams, and others were involved in a conspiracy, whereby they obtained and made withdrawals from UI debit cards containing fraudulent UI benefits. The benefits were made available by a co-conspirator, who was hired by a financial institution as a contract employee. The co-conspirator had accessed bank systems without authorization to reissue UI debit cards, remove fraud blocks, and add provisional credits to UI debit cards from which Simms, Watson, Phillips, Banks, Williams, and others later withdrew. Simms often recruited others via social media to participate in the conspiracy and sent messages to co-conspirators, including Watson, advising how to call a financial institution and pretend to be various customers to have UI debit cards sent to their addresses. Banks and Williams also obtained fraudulent UI debit cards in order to withdraw funds made available by co-conspirators. Both Banks' and Williams' access and unauthorized use of these cards resulted in withdrawals of approximately \$37,000 and \$33,000, respectively.

This is a joint investigation with the Federal Bureau of Investigation (FBI). *United States v. Clark et al.* (E.D. Arkansas)

### California Brothers Sentenced in CARES Act Fraud Scheme

Tyrone Boyle and Timothy Boyle were sentenced on January 21 and February 2, 2026, respectively, to 36 months supervised release and ordered to pay approximately \$2.9 million in joint and several restitution for their roles in a Coronavirus Aid, Relief, and Economic Security (CARES) Act fraud scheme. Tyrone and Timothy Boyle, twin brothers residing in Los Angeles, California, were the last of eight defendants prosecuted in a pandemic fraud scheme that targeted numerous state UI programs and the Small Business Administration (SBA).

From approximately February 2020 to May 2021, Tyrone, Timothy, and co-conspirators obtained the PII of identity theft victims without their knowledge or consent, and used this information to file fraudulent claims for Pandemic Unemployment Assistance (PUA) benefits. As part of the fraud scheme, Tyrone and Timothy also assisted in the filing of fraudulent applications for Paycheck Protection Program (PPP) loans and Economic Injury Disaster Loan (EIDL) funds in the names of various businesses.

In total, this pandemic fraud scheme involved more than \$7.7 million in PUA benefits, PPP loans, and EIDL funds.

This is a joint investigation with the FBI and SBA OIG. *United States v. Deangelo Jackson-Portwood et al.* (E.D. Michigan)

## Worker and Retiree Benefit Programs

### Former State of Michigan Employee and Contractor Prosecuted for Roles in Unemployment Insurance Fraud Scheme

On January 26, 2026, Jennae Reed, a former contractor with the state of Michigan Unemployment Insurance Agency (UIA), was sentenced to 3 years of probation and was ordered to pay more than \$1.6 million in restitution related to her role in a UI fraud scheme.

On February 25, 2026, Terri Ramsey, a former Michigan UIA examiner, pled guilty to one count of conspiracy to commit federal program bribery related to the scheme.

As part of the UI fraud scheme, Ramsey, Reed, and two additional state employees accessed the Michigan UIA claims system without proper authorization. The defendants subsequently removed fraud protection triggers and altered information to falsely make the UI claims appear legitimate. In furtherance of the scheme, both Ramsey and Reed also accepted and offered bribes in exchange for their unauthorized actions related to UI claims. Ramsey received tens of thousands of dollars in bribes while Reed obtained at least \$34,000.

As a result of the conspiracy, more than \$2.8 million of fraudulent UI benefits were distributed to third-party claimants.

This is a joint investigation with the FBI, U.S. Department of Homeland Security (DHS) OIG, Michigan UIA, and U.S. Postal Inspection Service (USPIS). *United States v. Timeka Johnson et al.* (E.D. Michigan)

### Pennsylvania Man Sentenced to 78 Months in Prison for Federal COVID-Relief Fraud and International Money Laundering

On March 3, 2026, Adepoju Babatunde Salako was sentenced to 78 months in prison and ordered to pay more than \$2.5 million in restitution. He previously pled guilty to wire fraud conspiracy and money laundering conspiracy for his role in a scheme to steal more than \$5 million from 30 UI programs, the PPP, and the EIDL program.

In 2021, Salako was part of a conspiracy that stole more than \$5 million in funds from the PPP, EIDL program, and state UI programs through several complex schemes. In one scheme, he and two co-conspirators used information of identity theft victims to fraudulently obtain UI benefits and PPP loans and submit false EIDL applications. The co-conspirators also used stolen identities and enlisted romance-scam victims to obtain government money. Salako's role was then to receive the funds and launder the proceeds.

This is a joint investigation with the U.S. Postal Service (USPS) OIG, Internal Revenue Service-Criminal Investigation (IRS CI), and SBA OIG. *United States v. Adepoju Babatunde Salako* (D. Colorado)

## Worker and Retiree Benefit Programs

### **Cameroonian National Sentenced to Prison for Role in \$1.7 Million Pandemic Unemployment Insurance Benefits Fraud Conspiracy Executed from the United Kingdom**

On February 20, 2026, Anais Thalia Ossele Massaba was sentenced to 54 months in prison and ordered to pay restitution of more than \$1.7 million in connection with an UI fraud conspiracy executed from the United Kingdom (UK).

Beginning in June 2020, Massaba, as part of an organized group of individuals operating in the United States and the UK, engaged in a conspiracy to fraudulently obtain UI benefits from multiple SWAs during the COVID-19 pandemic. She used a computer located in the UK to file fraudulent UI claims with the Maryland Department of Labor (MD DOL) and other SWAs. Massaba worked closely with other members of the conspiracy to obtain and use the PII of identity theft victims to submit fraudulent UI claims.

Massaba and her co-conspirators also used proxy servers and virtual private networks to conceal their identities and location. In addition, she used encrypted messaging platforms to communicate with co-conspirators to exchange PII of identity theft victims. In total, Massaba submitted nearly 200 fraudulent UI claims to the MD DOL by using anonymous email addresses, which resulted in the loss of more than \$1.7 million in UI benefits.

This was a joint investigation with the IRS CI and HSI as part of the Maryland COVID-19 Fraud Enforcement Strike Force. *United States v. Anais Thalia Ossele Massaba et al.* (D. Maryland)

### **Nigerian Man Sentenced to 70 months in Prison for \$10 Million Pandemic Unemployment Assistance Fraud Scheme**

On Oct 10, 2025, Yomi Jones Olayeye was sentenced to 70 months in prison in connection with a conspiracy to fraudulently obtain at least \$10 million in pandemic UI benefits. He was also ordered to pay more than \$1.6 million in restitution to 15 state SWAs, a \$75,000 fine, and approximately \$415,000 in forfeiture.

Between March 2020 and July 2020, Olayeye and his co-conspirators used PII that they purchased over criminal internet forums to apply for UI benefits. They falsely represented themselves to be eligible residents of states affected by the COVID-19 pandemic. He and his co-conspirators also used the stolen PII to open U.S. bank accounts and UI debit cards to receive the UI payments. They also recruited bank account holders in the United States to receive and transfer the fraud proceeds, which Olayeye and others then converted to Bitcoin. Through his scheme, they attempted to receive approximately \$10 million in UI benefits and were successful in receiving more than \$1.5 million.

This is a joint investigation with the United States Secret Service (USSS) and the FBI. *United States v. Kazeem et al.* (D. Massachusetts)

## Worker and Retiree Benefit Programs

### Michigan Man Sentenced in Pandemic Unemployment Insurance Fraud Scheme

On October 23, 2025, Terrance Calhoun Jr. was sentenced to 52 months in prison and ordered to pay restitution in excess of \$1.6 million for his involvement in a large-scale, multi-state UI fraud scheme.

The investigation revealed that Calhoun and his co-conspirators used stolen PII to file hundreds of fraudulent UI claims with multiple SWAs, including Michigan, Maryland, and Arizona. As part of the scheme, Calhoun and a co-conspirator created email accounts to link with UI claims, submitted and re-certified fraudulent UI claims, collected mail for the fraudulent claims, including UI debit cards, and shared information in furtherance of the scheme. As a result, Calhoun and his accomplices received UI debit cards in the names of other individuals loaded with over \$4 million in PUA funds.

This is a joint investigation with IRS CI, USSS, the FBI, HSI, and Michigan UIA. *United States v. Terrance Calhoun Jr.* (E.D. Michigan)

### Illinois Woman Sentenced for Involvement in Fraudulent Unemployment Insurance Fraud and Pandemic Benefits Schemes

On October 6, 2025, Yoshimi Henry was sentenced to 18 months in prison and ordered to pay restitution of more than \$860,000 for her involvement in UI and pandemic benefits fraud schemes. She was the last individual sentenced in the multi-defendant fraud schemes.

From 2013 to 2015, the investigation revealed that Henry and her co-defendants filed and caused to be filed over 890 fraudulent UI claims in the names of other individuals. This resulted in an attempted loss of about \$8.8 million in benefits and an actual loss of approximately \$1.5 million in benefits.

In June 2020 and February 2021, while under indictment for UI fraud, Henry submitted fraudulent applications in her name to the SBA for EIDL and PPP loans. The loan applications falsely stated that she was the owner of a limited liability company for an entertainment business and a sole proprietor of a printing and graphic design business. Henry, in exchange for fees, knowingly submitted, and caused to be submitted, approximately 37 fraudulent PPP loan applications and supporting documents for approximately 25 individuals. The applications contained materially false statements and misrepresentations regarding the applicant's purported business, business income, gross revenue, and expenses. Henry was paid between \$1,000 and \$5,000 per loan that she submitted for these individuals.

While still under indictment, Henry also fraudulently filed claims for pandemic-related UI benefits. In her UI certifications, she falsely certified that she was unemployed and entitled to UI benefits.

## Worker and Retiree Benefit Programs

In total, Henry caused approximately \$864,000 in pandemic-related benefit losses, including more than \$722,000 in fraudulently obtained PPP funds disbursed to her customers, almost \$20,000 in PPP funds she received, more than \$42,000 in UI benefits she received, and more than \$79,900 in UI benefits from the 2013 to 2015 fraud scheme.

This is a joint investigation with the FBI and USPIS. *U.S. v. Pitts et al.* (N.D. Illinois)

### **Pennsylvania Woman Sentenced for \$1 Million COVID-19 Fraud Scheme**

On February 4, 2026, Wylene Johnson was sentenced to 18 months in prison and was ordered to pay restitution of more than \$1 million for her role in a PUA fraud scheme. She was also ordered to forfeit more than \$1 million.

Between May 2020 and October 2020, Johnson obtained PII from individuals, including friends and relatives, for the purpose of using the PII to file or cause to be filed fraudulent PUA applications. She filed or caused to be filed at least 90 different fraudulent claims from her address in Philadelphia, PA. As a result of these fraudulent applications, the Pennsylvania Department of Labor and Industry dispersed at least \$950,000 via checks and/or debit cards to addresses controlled by Johnson.

Johnson also filed fraudulent EIDL applications using fictitious businesses. As a result, the SBA deposited approximately \$52,000 into her personal bank account. She did not spend this money on authorized purchases, but instead used it for personal expenditures, including a shopping spree.

This is a joint investigation with the FBI and HSI. *United States v. Wylene Johnson* (E.D. Pennsylvania)

### **Nevada Man Sentenced to Prison and Ordered to Pay More Than \$1 Million for Unemployment Insurance Fraud Scheme**

On October 8, 2025, Corey Marcus Valrey was sentenced to 12 months and 1 day in federal prison and ordered to pay more than \$1 million in restitution for his involvement in a fraudulent UI fraud scheme.

Beginning in early 2020 and continuing through about January 2021, Valrey and co-conspirators devised a scheme to fraudulently obtain UI benefits from the Nevada Department of Employment, Training, and Rehabilitation. As part of the scheme, his co-conspirators filed fraudulent applications for UI benefits by using the PII of individuals without their authorization, knowledge, and consent. As a result, UI debit cards, which were loaded with UI funds, were issued in the names of individuals whose PII had been wrongfully used. The UI debit cards were mailed to addresses controlled by Valrey and co-conspirators, including two private mailboxes that Valrey rented for this purpose.

## Worker and Retiree Benefit Programs

Through the course of the scheme, Valrey and co-conspirators received at least 140 fraudulent UI debit cards and caused losses of at least \$1 million in disbursed UI benefits.

This was a joint investigation with USSS. *United States v. Corey Marcus Valrey* (D. Nevada)

### **Maryland Man Sentenced to 15 Years in Prison for Pandemic Unemployment Insurance Fraud, Firearms, and Drug Trafficking Crimes**

On January 16, 2026, Lawrence Harris was sentenced to 180 months in prison and ordered to pay more than \$950,000 in restitution in connection with his convictions for conspiracy to commit wire fraud and aggravated identity theft for his role in a pandemic-related UI fraud scheme, as well as possession of a machine gun, possession with intent to distribute a controlled substance, and possession of a firearm in furtherance of a drug trafficking offense.

Between approximately January 2021 and September 2023, Harris conspired with other co-defendants, including former contractors who provided services directly to MD DOL. The contractors were issued laptop computers that allowed remote access to MD DOL systems, such as the UI claims system. Harris and his co-conspirators used the laptops to access non-public UI data and databases maintained by MD DOL to change information on existing UI claims, including contact email addresses, online account passwords, and payment methods. Using the PII of identity theft victims, they also made numerous false statements and misrepresentations on UI applications, so the highest amount of available UI benefits would be paid. Harris and his other co-conspirators uploaded and approved documents required by MD DOL to support UI claims, removed fraud holds on UI claims, and certified weeks of unemployment for payment in the MD DOL system.

On November 16, 2022, while law enforcement executed a search warrant at his home, Harris threw a firearm and a bag of marijuana from his room. Law enforcement then searched an attic in the residence that Harris had access to and discovered three additional firearms, including one that functioned as a machine gun, stored in the attic. In addition to the firearms, law enforcement also recovered approximately 37 pounds of marijuana that Harris intended to distribute.

This is a joint investigation with the FBI as part of the Maryland COVID-19 Fraud Enforcement Strike Force. *United States v. Lawrence Nathaniel Harris et al.* (D. Maryland)

### **State of Arizona Employee Sentenced for Receiving Bribes to Approve Jobless Benefits**

On November 24, 2025, Jacqueline Espino was sentenced to 2 years of home confinement and ordered to pay more than \$740,000 in criminal restitution.

## Worker and Retiree Benefit Programs

Espino was employed by the Arizona Department of Economic Security (DES) as an adjudicator who evaluated claims and determined eligibility for the UI and PUA programs. Between 2020 and 2022, she accepted bribes in exchange for approving UI and PUA claims for individuals who were not entitled to receive such benefits. Espino processed approximately nine different UI and PUA claims, resulting in DES paying more than \$140,000 in claims that were not properly adjudicated.

During the same period, in addition to accepting bribes to process claims, Espino embezzled and misapplied DES funds for the benefit of herself and for others. In total, Espino embezzled or misapplied more than \$600,000 in DES UI and PUA claims.

This is a joint investigation with DHS OIG and Arizona DES. *United States v. Jacqueline Espino* (D. Arizona)

### **Oregon Woman Convicted of Stealing Jobless Benefits**

On November 4, 2025, Tamara Fulmer pled guilty to stealing more than \$567,000 in pandemic unemployment benefits from the Oregon Employment Department (OED).

Between May 2020 and October 2021, Fulmer used the PII of approximately 27 individuals to fraudulently apply for pandemic UI benefits. Based on Fulmer's misrepresentations, OED paid more than \$567,000 in UI benefits. Fulmer deposited at least 236 UI checks totaling more than \$68,000 into her personal account and cashed many UI checks at an Oregon gas station without the applicants' knowledge or permission.

Additionally, OED paid Fulmer more than \$13,000 after she submitted her fraudulent UI application that falsely claimed she had not applied for or received disability benefits despite receiving disability payments since 2004.

This is a joint investigation with DHS OIG and OED. *United States v. Tamara Fulmer* (D. Oregon)

### **Virginia Woman Sentenced to More Than 6 Years in Prison for Pandemic Unemployment Insurance Fraud Conspiracy**

On October 9, 2025, Lynette Morse was sentenced to 78 months in prison and ordered to pay more than \$495,000 in restitution to the Virginia Employment Commission (VEC) for her role in a scheme to fraudulently obtain pandemic-related UI benefits, including through the use of PII belonging to Virginia Department of Corrections (VA DOC) inmates.

From approximately April 2020 through February 2021, Morse and her co-conspirators used the PII, which included the names, dates of birth, and Social Security numbers belonging to herself and

## Worker and Retiree Benefit Programs

others to file fraudulent UI claims with VEC during the COVID-19 pandemic. She submitted fraudulent UI claims and completed false weekly claim certifications using PII of either VA DOC inmates, other individuals, and herself—all of whom were not entitled to receive UI benefits.

Morse elected for most of UI benefits to be paid through UI debit cards. She directed the UI debit cards to be mailed to addresses within her control, including her residence, her post office box, a relatives' residence, and other residences selected to avoid suspicion due to multiple debit cards being mailed to one address.

The fraudulent UI claims, which Morse filed for 22 inmates, 9 non-inmates, and herself, resulted in the approval of more than \$322,000 in fraudulent benefits. In total, the VEC approved more than \$495,000 in UI benefits on behalf of individuals who were not entitled to receive such benefits.

This was a joint investigation with DHS OIG and USPIIS. *United States v. Lynette Ebony Morse* (E.D. Virginia)

### **Connecticut Man Sentenced to 57 Months in Prison for Fraudulently Collecting Social Security, Unemployment Insurance, and Food Stamp Benefits**

On March 9, 2026, Ricardo Santiago was sentenced to 57 months in prison and ordered to pay more than \$370,000 in restitution for fraudulently obtaining Social Security, UI, and food stamp benefits.

Between 2002 and 2024, Santiago held jobs with more than 20 employers and earned income totaling more than \$580,000. He concealed his income from federal and state government agencies by providing employers false identification, including a Social Security number (SSN) and card belonging to another individual, and, in at least one instance, a fraudulent Social Security card.

In 2002, Santiago applied for Retirement Survivors Disability Insurance (RSDI) benefits, representing that he was unable to work due to disability. In February 2017, Santiago applied for Supplemental Nutrition Assistance Program (SNAP) benefits, representing that he did not earn income from employment. As a result, he began receiving RSDI payments and SNAP benefits to which he was not entitled.

In April 2020, Santiago applied to the Connecticut Department of Labor for UI benefits. On the application, he used a SSN belonging to another individual, and represented that he was unemployed but available for work and physically able to work. He subsequently completed weekly certifications and made the same representations. From April 2020 through February 2021, Santiago received UI payments to which he was not entitled.

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In September 2025, while released on bond and awaiting sentencing, Santiago staged his and his daughter's drowning in the Connecticut River and attempted to flee. Hartford Police located Santiago and his daughter in Hartford on September 20, 2025. He has been detained since that date.

This is a joint investigation with the Social Security Administration (SSA) OIG, U.S. Department of Agriculture OIG, and U.S. Department of Transportation OIG. *United States v. Ricardo Santiago* (D. Connecticut)

### **Former California College Football Player Sentenced in Jobless Benefits Scam**

On January 20, 2026, Abdul-Malik McClain was sentenced to 24 months' probation and ordered to pay restitution of more than \$228,000 to the California EDD in a UI fraud scheme.

While a member of his university's football team, McClain filed fraudulent claims for UI benefits with CA EDD and also assisted football players in filing fraudulent claims, including under the PUA program. The claims contained false information about the claimants' supposed prior employment, pandemic-related job loss, and job-seeking efforts.

The false statements in the UI applications led CA EDD to authorize a financial institution to mail debit cards addressed to the named claimants—often to addresses that McClain controlled. Those debit cards were loaded with fraudulently obtained benefits, ranging from a few hundred dollars to thousands of dollars. The recipients of the debit cards, including McClain, used the debit cards to make cash withdrawals at ATMs and to fund personal expenses. In some cases, he obtained a cut of the fraudulently obtained benefits for helping others file fraudulent UI applications.

McClain's and his co-schemers' fraudulent applications sought at least \$1 million in UI benefits from CA EDD and led to more than \$280,000 in fraudulently obtained benefits.

This was a joint investigation with the FBI, Federal Deposit Insurance Corporation OIG, U.S. Treasury Inspector General for Tax Administration, SSA OIG, USPIS, and CA EDD Investigations Division. *United States v. McClain* (C.D. California)

### **Business Owner Convicted and Former Massachusetts State Senator Sentenced for Obstruction of Justice Related to Unemployment Insurance and Tax Fraud Schemes**

On January 23, 2026, Tuyet Martin pled guilty to attempting to obstruct and interfere in a grand jury investigation. On January 30, 2026, former Massachusetts state senator Dean Tran was sentenced for obstruction of justice during an investigation into Tran's fraudulent pandemic UI claims and tax fraud. Tran was sentenced to one year in prison to run concurrent to an 18-month sentence for his convictions related to UI and tax fraud.

## Worker and Retiree Benefit Programs

During the investigation, federal law enforcement interviewed Tran at his residence while executing a federal search warrant. He was asked about a reinstatement letter that he provided to UI agency officials when his benefits were briefly suspended. Tran made material misrepresentations to the law enforcement agents, including that Martin had authored and signed the letter. However, Martin was not the sole author of the letter as Tran revised and signed it before submitting it to the UI agency. Martin then provided false testimony regarding the letter to a federal grand jury.

This is a joint investigation with the FBI and IRS CI. *United States v. Dean Tran; United States v. Tuyet Martin* (D. Massachusetts)

### **Florida Resident Pled Guilty for Role in \$5.6 Million Pandemic Unemployment Insurance Fraud Scheme**

On January 15, 2026, Tiffany Gonsalves pled guilty to conspiracy to commit access device fraud, aiding and abetting access device fraud, and aiding and abetting aggravated identify theft.

From February 2021 through November 2021, Gonsalves and her co-conspirators accessed the database of a contractor that was responsible for ensuring beneficiaries of the UI program were able to receive their benefits through pre-loaded debit cards. They used this access to obtain the PII of UI recipients and then re-issue the debit cards to themselves instead of the lawful beneficiaries. Gonsalves and her co-conspirators changed the mailing addresses to their own, so they received the debit cards. In total, 904 debit cards were transferred via this scheme with 133 cards going to Gonsalves' address. Co-conspirators, including Gonsalves, withdrew funds from these debit cards at ATMs across the country. The total amount of these unlawful transactions was more than \$5.6 million.

This is a joint investigation with the FBI and USSS. *United States v. Tiffany Gonsalves* (M.D. Florida)

### **Maryland Man Pled Guilty for Role in \$1.5 Million Pandemic-Related Unemployment Insurance Fraud Scheme**

On January 8, 2026, Sayquan Leon Bridges, pled guilty to conspiracy to commit wire fraud, wire fraud, and aggravated identity theft for his role in a pandemic-related UI fraud and aggravated identity theft conspiracy that defrauded multiple SWAs through the submission of fraudulent UI claims that resulted in the payment of at least \$1.5 million in UI benefits from SWAs.

From March 2020 to October 2021, Bridges and his co-conspirators impersonated identity theft victims to submit fraudulent claims for UI benefits in multiple states, including Maryland and California. As part of the scheme, he and his co-conspirators used electronic messages, phone calls, electronic mail, and other means to collect and exchange PII of identity theft victims. They also created false email addresses and phone numbers for the victims and used the fake emails and phone numbers on the fraudulent UI

## Worker and Retiree Benefit Programs

applications. Once Bridges and his co-conspirators received the fraudulently obtained UI benefits on debit cards, they made cash withdrawals and other transactions for their own financial benefit.

This is a joint investigation with USFIS, HSI, Bureau of Alcohol, Tobacco, Firearms and Explosives, Maryland State Police, and Anne Arundel County (Maryland) Police Department. *United States v. Sayquan Leon Bridges et al.* (D. Maryland)

### **Pennsylvania Residents Convicted of Federal Racketeering and Related Charges**

Between October 2025 and February 2026, three defendants pled guilty for their roles in a federal racketeering conspiracy that included fraud against pandemic UI benefits, counterfeiting, assault, and murder.

During this period, the following actions occurred:

- On October 21, 2025, Rakeim Savage pled guilty to participating in a racketeering enterprise (“RICO”), conspiracy to commit counterfeiting, and conspiracy to commit mail and wire fraud.
- On December 17, 2025, Rakiem King pled guilty to conspiracy to participate in the affairs of a racketeering enterprise, conspiracy to commit counterfeiting, and conspiracy to commit mail and wire fraud.
- On February 10, 2026, Ward Roberts pled guilty to conspiracy to participate in the affairs of a racketeering enterprise, conspiracy to commit counterfeiting, and conspiracy to commit mail and wire fraud. Harry Draper pled guilty to conspiracy to participate in the affairs of a racketeering enterprise and conspiracy to commit counterfeiting.

Savage, King, Roberts, and Draper conspired with others to conduct and participate in an enterprise, which was known as Omerta, through racketeering activity. This activity involved counterfeiting, mail and wire fraud, fraudulently obtaining COVID-19 benefits, robbery, and other violent crimes. Omerta used social media, music, and music videos to enrich its members and promote their identity and image.

To fund Omerta, conspiracy members committed more than \$1.2 million of counterfeiting by visiting stores throughout the East Coast to illegally exchange counterfeit currency for U.S. currency. During the COVID-19 pandemic, Savage, Roberts, and others filed for fraudulent UI benefits, falsely stating they were unemployed and seeking employment. Through this fraud, Omerta received more than \$443,000 in UI benefits to fund their illegal enterprise.

This investigation is joint with the FBI and USSS. *United States v. Rakeim Savage* (E.D. Pennsylvania)

## Worker and Retiree Benefit Programs

### **Pennsylvania Man Pled Guilty to Pandemic Unemployment Assistance Fraud and Defrauding Local Car Dealerships**

On February 26, 2026, Justin Heimbach pled guilty to mail fraud and wire fraud, arising from his schemes to defraud the PUA program and multiple local car dealerships.

Heimbach, who operated a construction company called TeamKJ Construction, engaged in a scheme that caused fraudulent PUA applications to be filed in the names of individuals allegedly no longer employed by TeamKJ as a result of the COVID-19 pandemic. He filed more than 30 PUA applications in the names of various friends and associates. The applications contained a number of materially false statements. Heimbach falsely inflated the wages reported to the Pennsylvania Department of Labor and Industry (PADLI), as well as the total number of TeamKJ employees in order to support the fraudulent PUA applications later filed. Heimbach also demanded that he be paid a portion of the PUA funds received by individuals who listed unemployment from TeamKJ. He also enlisted others to assist with collecting payment. Due to the fraudulent applications, PADLI disbursed more than \$550,000 in PUA funds.

In addition, Heimbach successfully defrauded multiple Lehigh Valley car dealerships. He purchased vehicles in the names of other companies registered to or associated with him, and wrote checks for those vehicles on bank accounts with insufficient balances to cover the transactions.

This investigation is joint with the FBI. *United States v. Justin Heimbach* (E.D. Pennsylvania)

### **Former Georgia State Representatives Pled Guilty to Unemployment Insurance Fraud**

On January 21, 2026, Karen Bennett, who resigned from her position as an elected member of the Georgia House of Representatives, pled guilty to making false statements to fraudulently obtain pandemic UI benefits.

On March 11, 2026, Dexter L. Sharper, as a current member of the Georgia House of Representatives, pled guilty to false statements related to a claim for UI benefits. He later resigned from office.

Bennett, while serving in 2020 as a Georgia House Representative, applied for and submitted weekly certifications to claim pandemic UI benefits for weeks in March through August 2020. On these forms, she claimed her only earnings were \$300 per week from the Georgia General Assembly. She stated that her other employer, Metro Therapy Providers, Inc., would not allow her to work and that she was actively seeking other employment. However, Bennett was the sole owner of Metro Therapy Providers, Inc., and she performed administrative work from her home office—allowing the business to function and generate revenues. Bennett also concealed her employment at a church.

## Worker and Retiree Benefit Programs

Sharper, while serving as a Georgia State Representative, applied for benefits from April 2020 through May 2021. On the weekly certifications, Sharper stated he had not worked or earned any wages, was actively looking for work, and had not refused any work. However, Sharper was allegedly working and earning money from 2–3 jobs each week.

This is a joint investigation with the FBI, Georgia Office of State Inspector General, and DeKalb County District Attorney's Office. *United States v. Karen L. Bennett* (N.D. Georgia), *United States v. Sharper – Dexter L. Sharper* (N.D. Georgia)

# Office of Workers' Compensation Programs

*The Office of Workers' Compensation Programs (OWCP) administers four major workers' compensation programs: Federal Employees' Compensation, Energy Employees Occupational Illness Compensation (Energy), Coal Mine Workers' Compensation (Black Lung Benefits), and Longshore and Harbor Workers' Compensation.*

*The Federal Employees' Compensation Act (FECA) program is the largest of the programs and provides workers' compensation coverage to millions of federal, postal, and other employees for work-related injuries and illnesses. Benefits include wage replacement, payment for medical care, vocational rehabilitation, and survivor benefits.*

## Special Report Relating to the Federal Employees' Compensation Act Special Benefit Fund

The OIG contracted with KPMG LLP (KPMG) to audit the FECA Special Benefit Fund's Schedule of Actuarial Liability, Net Intra-Governmental Accounts Receivable, and Benefit Expense Fund as of, and for the year ended, September 30, 2025. KPMG issued an unmodified opinion, meaning the schedule was presented fairly in all material respects and in conformity with U.S. generally accepted accounting principles. KPMG also performed certain tests of controls and compliance with laws and regulations related to the fund. Its testing of controls found no deficiencies in internal control over financial reporting that it considered to be significant deficiencies and/or material weaknesses. Its testing of compliance found no instances of noncompliance or reportable conditions. Further, KPMG performed agreed-upon procedures and identified certain differences as a result of performing the procedures over the actuarial liability, net intra-governmental accounts receivable, and the benefit expense.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2026/22-26-001-04-431.pdf>, Report No. 22-26-001-04-431 (December 18, 2025).

## Texas Doctor Sentenced to 8.5 Years in Prison for \$145 Million Health Care Fraud Scheme

On February 24, 2026, orthopedic surgeon, Dr. Michael Taba, was sentenced to 102 months in prison and ordered to pay more than \$13 million in restitution for his role in a \$145 million scheme to defraud DOL's OWCP through the submission of fraudulent claims for prescription compound creams.

Taba accepted bribes paid by pharmacy owners to prescribe medically unnecessary compound creams to injured federal workers. During the multiyear scheme, pharmacy owners paid him millions of dollars in illegal bribes and kickbacks for prescribing expensive compound medications. According

## Worker and Retiree Benefit Programs

to trial evidence, medications were mixed in the pharmacies by untrained teenagers for about \$15 per prescription. OWCP was then billed as much as \$16,000 per prescription. Patients advised these medications were ineffective and, in some instances, would cause pain and irritation to the skin.

Between May 2014 and March 2017, the pharmacies billed OWCP and the insurance company more than \$145 million and were paid more than \$90 million for unnecessary prescriptions referred by Taba and other medical providers.

This is a joint investigation with USPS OIG, U.S. Department of Veterans Affairs (VA) OIG, and IRS CI. *United States v. Dehshid Nourian aka David Nourian* (N.D. Texas)

### **Texas Chiropractor Pleads Guilty in Million-Dollar Health Care Fraud Conspiracy Involving Federal Workers' Compensation**

On October 16, 2025, Demitrious Gilmore, a chiropractor licensed in the state of Texas, pled guilty to conspiracy to commit health care fraud for his role in a multi-million dollar scheme to defraud a health care benefit program administered by DOL's OWCP. As part of his plea, he agreed that more than \$1.1 million in seized funds and a Texas property constituted proceeds of the fraud scheme.

From approximately January 2017 until about April 2023, Gilmore and at least two co-conspirators submitted OWCP documents to become enrolled providers that were assigned provider billing numbers. They opened various bank accounts in the names of clinics in which OWCP payments were deposited, and recruited patients to the clinics. Through the clinics, Gilmore and his co-conspirators submitted false and fraudulent claims to OWCP. In several instances, they billed OWCP for expensive knee braces that claimants did not need or receive and for physical therapy that was never provided. Gilmore and his co-conspirators also submitted claims for intravenous infusions and ultrasonic devices that were medically unnecessary.

As part of the scheme, Gilmore and his co-conspirators each received a percentage of the funds paid by OWCP for the false and fraudulent claims. In total, they billed OWCP more than \$19 million and were paid at least \$17 million.

This is a joint investigation with USPS OIG. *United States v. Demitrious Gilmore* (N.D. Texas)

### **Virginia Firefighter Sentenced to 12 Months of Home Confinement for Fraudulently Obtaining Federal Workers' Compensation Benefits**

On October 22, 2025, Richard Hyland was sentenced to 12 months of home confinement and ordered to pay restitution of more than \$479,000 to the federal government. He previously pled guilty to making false statements to obtain federal workers' compensation benefits.

## Worker and Retiree Benefit Programs

In 2014, while employed as a firefighter by the VA, Hyland suffered a back injury and began receiving workers' compensation benefits. To continue receiving benefits, Hyland falsely certified annually to DOL that he was not working or serving as a volunteer. However, as early as March 2017, he worked as a tow-truck driver, a long-haul truck driver, and a volunteer firefighter. Between March 2017 and December 2024, Hyland received almost \$480,000 in federal workers' compensation benefits while failing to report his employment.

This was a joint investigation with VA OIG. *United States v. Richard Hyland* (D. New Jersey)

### **Three United States Postal Employees Pled Guilty in a Conspiracy to Obtain OWCP Mileage Reimbursement**

On February 4, 2026, Coretta Turner pled guilty to one count of making false statements to obtain federal employee's compensation benefits. On February 9 and 26, 2026, respectively, Tameka Bourne and Tammy Briggs both pled guilty to conspiracy to defraud. They conspired to submit travel vouchers to DOL's OWCP in order to fraudulently obtain benefits.

Turner, Bourne, and Briggs were each employed by the USPS and filed on-the-job injury claims with OWCP for purported injuries sustained while employed. They conspired to submit false and fraudulent travel vouchers to OWCP, claiming reimbursement for land-based and aquatic therapy sessions that they did not actually attend.

As a result of the scheme, OWCP paid more than \$90,000 in reimbursements.

This is a joint investigation with USPS OIG and the FBI. *United States v. Briggs et al.* (S.D. Texas)



# Employment and Training Programs



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**Veteran's Employment and Training Service**

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**Foreign Labor Certification Programs**

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# Veteran's Employment and Training Service

*The mission of the Veterans' Employment and Training Service (VETS) is to prepare America's service members, veterans, and military spouses for meaningful careers, provide them with employment resources and expertise, protect their employment rights, and promote their employment opportunities.*

## COVID-19 MINIMALLY AFFECTED THE JOBS FOR VETERANS STATE GRANTS PROGRAM AMID WEAKNESSES IN ELIGIBILITY VALIDATION PRACTICES

### Why OIG Conducted the Audit

The Jobs for Veterans State Grants (JVSG) program allocates federal funds to 54 state workforce agencies (states), which consist of all 50 states, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands, to support various positions, including Disabled Veterans' Outreach Program (DVOP) specialists, who provide career and training services to eligible veterans and spouses with significant barriers to employment (SBE). These services are also offered to other eligible persons, such as transitioning service members and caregivers of eligible veterans.

To evaluate program effectiveness, the ETA establishes performance metrics to assess program outcomes and overall success. VETS provides states with technical assistance and oversight to support effective program implementation.

In March 2020, the COVID-19 pandemic was declared a national emergency. To assess the pandemic's impact, we conducted a performance audit to answer the following question:

**How did the COVID-19 pandemic affect the JVSG program's operations and effectiveness in providing training and employment services to eligible veterans and spouses with significant barriers to employment, as well as other eligible persons?**

### What OIG Found

We found the COVID-19 pandemic minimally affected the overall operations and effectiveness of the JVSG program in providing training and employment services to eligible veterans and spouses with SBE, as well as other eligible persons, as evidenced by the program reportedly meeting or exceeding its employment rate goals. However, this apparent success may be misleading due to weaknesses

## Employment and Training Programs

identified in the program's eligibility validation practices. Specifically, while VETS' policy, developed in collaboration with ETA and issued in April 2014, allows individuals to self-attest their SBE eligibility without documentation to receive DVOP services, it does not include procedures for subsequent validation, calling into question the accuracy of the reported outcomes.

In June 2020 and October 2022, ETA issued guidance specifying documentation needed to validate eligibility, such as signed forms or electronic signatures for self-attestation. However, VETS did not update its policy to align with ETA's guidance, resulting in conflicting requirements that may have hindered validation efforts. Our review of case files for 180 JVSG program participants who received DVOP services from Program Year (PY) 2020 to PY 2022, covering periods before, during, and after the pandemic, across 45 states, found the files for 54 participants, or 30 percent, were incomplete, meaning they lacked documentation or contained inadequate documentation to validate their eligibility. These findings raise questions about the eligibility of those served and the accuracy of reported program outcomes for assessing program performance during the pandemic.

Additionally, among the reviewed case files for 12 participants from one state, files for 11 individuals indicated they did not meet the participant eligibility criteria for DVOP services. VETS' program staff later clarified that errors in the state's management information system had incorrectly recorded these individuals as participants. Because VETS' policy limits DVOP services to eligible veterans and spouses with SBE, as well as other eligible persons, these system errors raise questions about the eligibility of all participants who received DVOP services in this state from PY 2020 to PY 2022. Consequently, up to \$8.4 million in JVSG funds spent by the state to support DVOP specialists during that period may represent unsupported costs, indicating a potential waste of federal funds.

### What OIG Recommended

We made three recommendations to VETS to revise its current program policies to strengthen eligibility validation procedures and conduct a comprehensive assessment to determine the full extent of unsupported costs caused by ineligible individuals recorded as program participants. After report issuance, VETS updated its position and agreed with our recommendations.

### Read the Full Report

For more information, go to: <https://www.oig.dol.gov/public/reports/oa/2026/06-26-001-02-203.pdf>, Report No. 06-26-001-02-203 (January 22, 2026).

# Foreign Labor Certification Programs

*ETA administers a number of foreign labor certification (FLC) programs that allow U.S. employers to employ foreign workers to meet domestic worker shortages, including: PERM, CW-1, H-1B, H-2A, and H-2B. The PERM program allows an employer to hire foreign nationals to work in the United States on a permanent basis while the CW-1, H-1B, H-2A, and H-2B programs are for temporary employment in the United States. ETA ensures the admission of foreign workers into the United States on a PERM, CW-1, H-2A, or H-2B visa will not adversely affect job opportunities, wages, and working conditions of U.S. workers. The Department's Wage and Hour Division (WHD) has been delegated as the enforcement authority to ensure employers in H-1B, H-2A, and H-2B programs are in compliance with labor certification requirements. The OIG also investigates labor trafficking cases that involve fraud against FLC programs.*

## Illinois Woman Pled Guilty to Conspiring to Commit Immigration Fraud

On February 10, 2026, Felicitas Cordero pled guilty to one count of conspiracy to commit immigration fraud for her involvement in a scheme to bring foreign nationals to the United States and unlawfully obtain H-1B and EB-2 visas.

From approximately June 2011 until at least May 2015, Cordero conspired with a co-defendant and others to encourage and induce foreign nationals to reside and work in the United States in violation of the law. She received approximately \$500 for each nurse that she helped unlawfully obtain an H-1B or EB-2 visa. Between approximately 2011 and 2015, she and her co-defendant unlawfully assisted at least 148 foreign-national nurses come to, enter, and/or reside in the United States.

More specifically, Cordero and her co-defendant instructed nurses from the Philippines to take fraudulent employment documents to consular interviews and to provide consular officials with false information. To unlawfully obtain the visas, Cordero, her co-defendant, and a third individual falsely certified and caused others to falsely certify that foreign nationals would be employed by a company in managerial, supervisory, or other higher-level positions, when they knew that was not true. The falsely certified documents were then submitted to DOL and U.S. Citizenship and Immigration Services.

This is a joint investigation with HSI and U.S. Department of State Diplomatic Security Service.  
*United States v. Felicitas Cordero* (N.D. Illinois)



# Single Audits

# Single Audits

*A single audit provides an organization-wide examination of an entity expending federal assistance funds received for its operations. The audit is typically conducted annually by an independent certified public accountant, and its objective is to provide assurance to the U.S. government regarding the management and use of funds by recipients such as states, schools, universities, and nonprofits.*

## Quality Control Review of Single Audits

Under the Office of Management and Budget (OMB) Uniform Guidance,<sup>1</sup> cognizant and oversight federal agencies ensure the implementation of single audit requirements. A nonfederal entity expending more than \$50 million in a year in federal awards has a cognizant agency for audit while a nonfederal entity expending \$50 million or less in federal awards annually has an oversight agency.<sup>2</sup> DOL is currently cognizant for 12 entities and oversees another 95 entities.

The OIG periodically performs Quality Control Reviews (QCRs) of the cognizant and oversight entities' single audits. During this reporting period, we conducted three QCRs: (1) as the cognizant agency for the Single Audit of the Chicago Cook Workforce Partnership for the Fiscal Year Ended June 30, 2024, and (2) for the Single Audit of the State of Hawaii Department of Accounting and General Services for the Fiscal Year Ended June 30, 2024, and (3) as the oversight agency for the Single Audit of Easter Seals, Inc. and the Easter Seals Foundation for the Year Ended December 31, 2024.

## Quality Control Review of the Single Audit of the Chicago Cook Workforce Partnership for the Fiscal Year Ended June 30, 2024

We performed a QCR of the independent certified public accounting firm Evolve Financial I's single audit of the Chicago Cook Workforce Partnership for the fiscal year ended June 30, 2024. Our QCR covered the Workforce Innovation and Opportunity Act (WIOA) cluster and the WIOA national dislocated worker/Workforce Investment Act national emergency grants, which totaled about \$61 million of DOL major program funds reported as expended.

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<sup>1</sup> Uniform Guidance refers to 2 C.F.R. Part 200, OMB's "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

<sup>2</sup> Per 2 CFR 200.513(a)(1): A nonfederal entity expending more than \$50 million a year in federal awards must have a cognizant agency for audit. The cognizant agency for audit must be the federal agency that provides the largest amount of direct funding (as listed on the nonfederal entity's Schedule of expenditures of federal awards, see [§ 200.510\(b\)](#)) unless OMB designates a specific cognizant agency for audit. When the direct funding represents less than 25 percent of the total expenditures (as direct and subawards) by the nonfederal entity, then the federal agency with the predominant amount of total funding is the designated cognizant agency for audit.

## Single Audits

We determined the single audit report and audit work performed generally met the requirements of OMB uniform guidance, generally accepted government auditing standards, and generally accepted auditing standards. However, we found Evolve Financial I needed to strengthen its quality management policies and procedures to prevent self-review of audit documentation. Evolve Financial I agreed with the matter noted and took the corrective actions necessary to properly address it. Our report did not contain any recommendations.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2026/24-26-001-50-598.pdf>, Report No. 24-26-001-50-598 (January 13, 2026).

### **Quality Control Review for the Single Audit of the State of Hawaii Department of Accounting and General Services for the Fiscal Year Ended June 30, 2024**

We performed a QCR of the independent certified public accounting firm Accuity LLP's single audit of the State of Hawaii Department of Accounting and General Services for the fiscal year ended June 30, 2024. Our QCR covered unemployment insurance, COVID-19 unemployment insurance, WIOA cluster, and the WIOA national dislocated worker/Workforce Investment Act national emergency grants, which totaled about \$291 million of DOL major program funds reported as expended.

We determined Accuity LLP's audit work on the single audit was acceptable and met the requirements of OMB uniform guidance, generally accepted government auditing standards, and generally accepted auditing standards. Our report did not contain any recommendations.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2026/24-26-003-50-598.pdf>, Report No. 24-26-003-50-598 (March 12, 2026).

### **Quality Control Review of the Single Audit of Easter Seals, Inc. and the Easter Seals Foundation for the Year Ended December 31, 2024**

We performed a QCR of the independent certified public accounting firm Plante & Moran, PLLC's single audit of Easter Seals, Inc. and the Easter Seals Foundation for the year ended December 31, 2024. Our QCR covered the Senior Community Service Employment Program, which totaled about \$23 million of DOL major program funds reported as expended.

We determined the single audit report and the audit work performed generally met the requirements of OMB uniform guidance, generally accepted government auditing standards, and generally accepted auditing standards. However, we found Plante & Moran, PLLC needed to correctly report the Type A/B threshold. Plante & Moran, PLLC agreed with the matter identified and took the corrective actions necessary to properly address it. Our report did not contain any recommendations.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2026/24-26-002-50-598.pdf>, Report No. 24-26-002-50-598 (January 13, 2026).





# OIG Congressional Testimony

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# OIG Congressional Testimony

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*During this semiannual reporting period, the OIG provided a statement for the record for one congressional hearing. The full text of our testimony is available on our website at <https://www.oig.dol.gov/testimony.htm>.*

### **March 5, 2026—House Committee on Ways and Means: Subcommittee on Work and Welfare**

The OIG provided a [statement for the record](#) on “Reclaiming 'Forgotten' Fraudulent Pandemic Unemployment Funds Frozen by Banks.”



# Legislative Recommendations

# Legislative Recommendations

*The Inspector General Act of 1978, as amended, requires the OIG to review existing or proposed legislation and regulations and to make recommendations in the Semiannual Report to Congress concerning their impact both on the economy and efficiency of the DOL's programs and operations and on the prevention of fraud, waste, and abuse. The OIG continues to propose the following legislative actions to increase efficiency and protect the Department's programs and operations.*

The OIG, in congressional testimonies and through other means, has highlighted four high-priority recommendations for congressional consideration:

1. Immediately extend the statute of limitations for fraud involving pandemic-related UI programs;
2. Ensure DOL and the OIG have permanent ongoing, timely, and complete access to UI claimant data and wage records;
3. Grant the OIG statutory authority to participate in asset forfeiture funds to combat UI fraud and other crimes; and
4. Ensure effective payment integrity controls to reduce improper payments in all UI programs, including temporary ones, such as through broader requirements for mandatory cross-matching.

Details on these and other legislative recommendations follow.

## **Immediately Extend the Statute of Limitations Associated with Pandemic-Related UI Fraud**

The statute of limitations for many of the OIG's pandemic-related UI fraud investigations continues to expire. Unless Congress acts quickly, the opportunity to extend the statute of limitations associated with pandemic-related UI fraud will soon be lost entirely. Given that the statutes often used to prosecute UI fraud have a 5-year limitation, and the pandemic-related UI programs were initiated by the Coronavirus Aid, Relief, and Economic Security Act on March 27, 2020—and largely ended on September 6, 2021—many groups and individuals that have defrauded the UI program may now escape justice.

Even with the OIG's tireless efforts, a failure to extend the current statute of limitations associated with UI fraud means federal law enforcement will have to stop short of fully investigating and prosecuting some of the most egregious cases of pandemic UI fraud. This is particularly the case given the volume and complexity of UI fraud matters we investigate. Due to the incredible volume of pandemic-related UI matters, the OIG was simply unable to investigate the millions of potentially fraudulent claims within the 5-year window, despite devoting over 90 percent of our investigative

## Legislative Recommendations

resources to the effort. The SBA faced a similar issue regarding the statute of limitations for pandemic-related fraud in the PPP and EIDL programs. To address those concerns, Congress passed legislation to extend associated statutes of limitations.

Congress could likewise extend the statute of limitations for fraud associated with pandemic-related UI programs. This would help ensure both investigators and prosecutors have time to effectively pursue and hold accountable those who defrauded UI programs during the pandemic. With an extension of the statute of limitations, and a corresponding increase in resources, the OIG could continue to vigorously pursue those who defrauded pandemic UI programs, particularly by means of large-scale identity theft schemes.

### Ensure DOL and OIG Access to UI Claimant Data and Wage Records

In addition to the authority provided by the Inspector General Act of 1978, as amended, legislative action by Congress that permanently authorizes DOL and the OIG to have ongoing, timely, and complete access to UI claimant data and wage records of SWAs and UI-administering agencies in U.S. territories<sup>3</sup> is crucial to effectively carry out our respective oversight responsibilities, strengthen the integrity of the UI program, and safeguard federal and state funds.

On August 29, 2025, DOL announced a Notice of Proposed Rulemaking to require the disclosure and sharing of state-level UI data with federal officials, including the OIG. This rulemaking aligns with the President's [Executive Order 14243, Stopping Waste, Fraud, and Abuse by Eliminating Information Silos](#), which underscores the Administration's commitment to eliminating barriers that hinder federal oversight efforts. DOL stated the change is designed to improve coordination in detecting fraud, closing system vulnerabilities, and preventing improper payments. ETA is currently reviewing public comments received on the proposed rule.

The [Fiscal Year \(FY\) 2026 Congressional Budget Justification](#) emphasized the importance of improving UI program integrity and reducing fraud in the UI system. DOL stated that it has a strong interest in working with Congress to combat fraud and reduce improper payments and noted that OIG access to states' UI data would support audits and investigations to identify fraud, waste, abuse, and inefficiencies.

While DOL has initiated the rulemaking process to improve the OIG's access to UI claimant and wage records, this approach is inherently limited by the time required to finalize rules and the vulnerability of

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<sup>3</sup> Fifty states, as well as the U.S. Virgin Islands, the Commonwealth of Puerto Rico, and the District of Columbia, administer UI through a SWA. In addition, U.S. Territories that administered pandemic-UI programs included American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, Guam, the Republic of the Marshall Islands, and the Republic of Palau.

## Legislative Recommendations

regulatory solutions to reversal. Ongoing, timely, and complete permanent access to the UI claimant data and wage records of SWAs and UI-administering agencies in U.S. territories is essential to preventing fraud, safeguarding program integrity, and strengthening oversight of UI program funds.

### Authorize OIG Participation in Asset Forfeiture Funds

Legislative authority in the area of asset forfeiture would increase the OIG's ability to effectively and efficiently investigate UI fraud and other crimes. Allowing the OIG to recover fraudulently obtained funds would deprive criminals of their ill-gotten proceeds.<sup>4</sup> Asset forfeiture is a critical legal tool that serves a number of compelling law enforcement purposes. It is designed to deprive criminals of the proceeds of their crimes, to break the financial backbone of organized criminal syndicates, and to recover property that may be used to compensate victims and deter criminal activity.

While the OIG could make significant use of asset forfeiture in our UI fraud investigations, we could also use that authority in other areas of our investigative jurisdiction, including labor trafficking involving the Department's foreign labor certification programs; the OWCP provider fraud matters; and labor racketeering matters involving labor unions and their affiliated employee benefit plans. Currently, the OIG is not a participant in the U.S. Department of the Treasury (Treasury) Forfeiture Fund or the U.S. Department of Justice (DOJ) Assets Forfeiture Fund. This lack of authority to participate limits the OIG's ability to effectively recover proceeds of UI fraud and other crimes under the OIG's jurisdiction. Allowing the OIG to participate in the Treasury Forfeiture Fund or the DOJ Assets Forfeiture Fund would allow the OIG to better combat UI fraud and other crimes in the future.

### Enact the UI Integrity Legislative Proposals

The OIG encourages Congress to consider and adopt key DOL proposals to aid the Department's efforts to combat improper payments in the UI program. In its [FY 2025 Congressional Budget Justification](#), the Department proposed provisions designed to provide new and expanded tools and controls for states to help ensure workers are properly paid and to prevent improper payments, including fraud, in the UI system.

The Department stated the proposals collectively would result in savings of more than \$3 billion over the 10-year budget window. These are similar to DOL proposals included in prior DOL budget requests that would help address UI program integrity and the high improper payment rates in the UI program. These proposals include the following:

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<sup>4</sup> According to the FBI's law enforcement bulletin titled [Asset Seizure and Forfeiture: A Basic Guide](#), "Asset forfeiture entails a legal process whereby the ownership of an asset is removed from individuals because they used it illegally, received or derived it from illicit activity, or employed it to facilitate a crime. The vesting of title with the government follows a civil, criminal, or administrative proceeding."

## Legislative Recommendations

- require SWAs to cross-match UI claims against the National Directory of New Hires;
- require SWAs to cross-match UI claims with a system(s)...that contains information on individuals who are incarcerated;
- require states to disclose information to the OIG;
- allow SWAs to retain up to 5 percent of recovered fraudulent UI overpayments for program integrity use;
- require SWAs to use [UI] penalty and interest collections solely for UI administration; and
- permit the Department to collect and store states' UI claimant data.

The Department did not include these legislative proposals in its FY 2026 Congressional Budget Justification. However, the proposals are consistent with previous OIG reporting to improve the UI program. To maintain UI program integrity, the OIG has recommended establishing legislation that requires SWAs to cross-match high risk areas, such as UI benefits paid to individuals with Social Security numbers filed in multiple states and belonging to deceased persons.

### **Lack of Fiscal Year Limitations Hinders DOL's Ability to Properly Manage Temporary Emergency Program Funds**

The OIG encourages Congress to implement a time limit for states' acceptance of UI emergency program benefit claims after the expiration of the eligibility periods for current and future temporary emergency benefit programs.

During our audit of the Mixed Earners Unemployment Compensation (MEUC) program, we found that, under the enacting law and agreements between the Department and SWAs, SWAs are entitled to the reimbursement of 100 percent of the cost of eligible benefits paid under the MEUC program no matter when the claim is processed. Funds for this program, like most pandemic-related UI programs, were appropriated by Congress without fiscal year limitation. Because of this, ETA continues to set aside pandemic funds to reimburse SWAs for eligible MEUC claims. ETA must reimburse states until all eligible claims from the program period have been administered—even if this requires the agency to do so years after the conclusion of the program period in September 2021.

If the enacting law and subsequent agreements between DOL and the SWAs contained a termination date by which all claims must be administered or returned to Treasury, remaining pandemic funds could be returned to Treasury sooner and reprogrammed for more urgent needs of the American taxpayer. The pandemic assistance funds, such as MEUC, were authorized to quickly meet the urgent financial needs of American taxpayers during the pandemic. However, paying pandemic-related claims long after the pandemic has ended and the U.S. economy has recovered is counterproductive to the original intent of the funds—even if claimants are eligible under the program period.

## Legislative Recommendations

### Provide Authority to Ensure the Integrity of the H-1B Program

If DOL is to have a meaningful role in the foreign labor certification process for H-1B specialty occupation visas, it must have the statutory authority to ensure the integrity of that process. This authority should include the ability to verify the accuracy of information provided on labor condition applications and to initiate its own H-1B investigations more broadly.

Currently, unlike H-2A and H-2B investigations, DOL's authority to investigate H-1B employers is limited and typically requires a complaint by an aggrieved party or a credible source. In the absence of such a complaint, with limited exceptions, DOL may only initiate its own H-1B investigations if the Secretary personally certifies there is reasonable cause to believe the employer is not in compliance.<sup>5</sup> Even assuming such personal certification is obtained, the scope of Secretary-certified investigations is limited. These investigations are restricted to willful, pattern-or-practice, or substantial violations of the Labor Condition Application requirements regarding prevailing wage and benefits, working conditions, labor disputes, recruitment of U.S. workers, and notification of applications.

Additionally, such an investigation must be conducted under specific procedures and may only be initiated for reasons other than completeness and obvious inaccuracies by the employer in complying with H-1B requirements. In most circumstances, a notice also must be provided to the employer to allow a rebuttal of the allegations before the investigation begins.

Our concern with the Department's limited ability to ensure the integrity of the certification process is heightened by the results of OIG audits and investigations showing the program is susceptible to significant fraud and abuse, including by certain employers and attorneys. For example, some staffing companies utilize the H-1B program without having scheduled jobs already lined up. Some employers and attorneys misrepresent their need for workers to DOL, then reassign the extra workers to other companies or require foreign workers to find their own work. There have also been instances when companies illegally generated profits by requiring foreign workers to pay fees and recurring payments to secure H-1B visas.

Without statutory authority, the Department generally cannot verify employers' attestations to H-1B certifications except in limited circumstances, including when an aggrieved party or a credible source files a complaint. As some foreign workers may be reluctant to file complaints for fear of retaliation and losing their jobs, the Department's process is unlikely to result in verification action being taken.

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<sup>5</sup> On September 19, 2025, the Secretary announced DOL will be using Secretary-certified investigations.

## Legislative Recommendations

### Amend Pension Protection Laws

Legislative changes to the Employee Retirement Income Security Act of 1974 (ERISA) and criminal penalties for ERISA violations would enhance the protection of assets in pension plans. To this end, the OIG continues to recommend the following legislative actions:

- **Repeal ERISA’s limited-scope audit exemption.** This exemption excludes pension plan assets invested in financial institutions, such as banks and savings and loan firms, from audits of employee benefit plans. Notwithstanding recent changes to auditing standards that strengthen limited-scope audits, these audits prevent independent public accountants who are auditing pension plans from rendering an opinion on the plans’ financial statements in accordance with professional auditing standards. These “no opinion” audits offer weak assurance of asset integrity either to plan participants or to the Department.
- **Expand the authority of the Employee Benefits Security Administration to correct substandard benefit plan audits and ensure that auditors with poor records do not perform additional audits.** Changes should include providing the Employee Benefits Security Administration with greater enforcement authority over registration, suspension, and debarment as well as the ability to levy civil penalties against employee benefit plan auditors. The ability to correct substandard audits and take action against auditors is essential because benefit plan audits help protect participants and beneficiaries by ensuring the proper valuation of plan assets and computation of benefits.
- **Require direct reporting of ERISA violations to DOL.** Under current law, a pension plan auditor who finds a potential ERISA violation is responsible for reporting it to the plan administrator but not directly to DOL. To ensure improprieties are addressed, we recommend plan administrators or auditors be required to report potential ERISA violations directly to DOL. This change would ensure the timely reporting of violations and would more actively involve auditors in safeguarding pension assets as a first line of defense against the abuse of workers’ pension plans.

### Improve the Integrity of the FECA Program

Legislative reforms should be considered in the following areas to improve the effectiveness and integrity of the Federal Employees’ Compensation Act (FECA) program:

- **Provide statutory access to the National Directory of New Hires and Social Security wage records.** Currently, the Department has no direct access to the National Directory of New Hires data and can access Social Security wage information only if a claimant gives it permission. Granting the Department and the OIG routine access to these databases would aid in detecting fraud committed by individuals receiving FECA wage loss compensation but failing to report income they have earned.

## Legislative Recommendations

- **Establish a 3-day waiting period at the beginning of the claims process for all federal employees.** FECA legislation provides for a 3-day waiting period before receiving FECA compensation. This waiting period is intended to discourage the filing of frivolous claims. However, the legislation places the waiting period for federal non-postal employees at the end of the 45-day continuation-of-pay period, thereby negating its purpose. Legislation that passed in 2006 placed the waiting period for postal employees immediately after an employment-related injury. To ensure a true waiting period before an employee applies for benefits, the law should place the period immediately after an employment-related injury for all federal employees, not exclusively postal employees.
- **Allow the temporary suspension of medical providers pending the outcome of criminal investigations.** While FECA regulations allow OWCP to automatically exclude a provider who has been convicted of fraud from participating in the FECA program, OWCP cannot suspend payments to a provider who has been criminally indicted for alleged fraudulent billing practices. The Department can pursue a government-wide non-procurement suspension in such circumstances. However, this process and the various procedures involved can be lengthy and rely on the Department's Suspension and Debarment Official, delaying OWCP's ability to protect the FECA program from medical providers alleged to have engaged in fraudulent practices. Legislative changes are necessary to enable DOL to suspend a medical provider who has been indicted for alleged fraudulent billing practices from providing further medical services and receiving payments from the program until the indictment is resolved.



# Appendices

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# Reporting Requirements Under the Following Acts

### The Inspector General Act of 1978, as Amended

REPORTING	REQUIREMENT	PAGE
Section 4(a)(2)	Recommendations on existing and proposed legislation and regulations relating to the programs and operations of DOL	None to report
Section 5(a)(1)	Description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the establishment and associated reports and recommendations for corrective action made by the Office	All
Section 5(a)(2)	Identification of each recommendation made before the reporting period, for which corrective action has not been completed, including the potential costs savings associated with the recommendation	All
Section 5(a)(3)	Summary of significant investigations closed during the reporting period	10-32
Section 5(a)(4)	Identification of the total number of convictions during the reporting period resulting from investigations	74
Section 5(a)(5)	Information regarding each audit, inspection, or evaluation report issued during the reporting period, including— (A) a listing of each audit, inspection, or evaluation; (B) if applicable, the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs) and the dollar value of recommendations that funds be put to better use, including whether a management decision had been made by the end of the reporting period	52
Section 5(a)(6)	Information regarding any management decision made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period	56
Section 5(a) (7)	Information from the Federal Financial Management Improvement Act Section 804(b) — instances in which an agency has not met intermediate target dates in a remediation plan, and the reasons	None to report
Section 5(a)(8)	Peer review reporting: (A) results of any peer review conducted by another OIG, or (B) a statement identifying the date of the last peer review conducted	76
Section 5(a)(9)	Outstanding peer review recommendations	None to report

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Section 5(a) (10)	Peer reviews conducted by the OIG and recommendations outstanding or not fully implemented	None to report
Section 5(a) (11)	Statistical tables on investigative findings showing total number of: (A) reports issued; (B) persons referred to the U.S. Department of Justice for prosecution; (C) persons referred to state and local prosecuting authorities; and (D) indictments and criminal informations that resulted from any prior referral to prosecuting authorities	74
Section 5(a) (12)	Metrics used for developing the data for the statistical tables	74
Section 5(a) (13)	Summary of investigations of senior government employees where allegations of misconduct were substantiated, including the facts, circumstances, status, and disposition of the matter	None to report
Section 5(a) (14)	Description of whistleblower retaliation cases including information about the official found to have engaged in retaliation and what, if any, consequences that establishment imposed to hold that official accountable	None to report
Section 5(a) (15) and Section 6(c)(2)	Information related to interference by the establishment, including— (A) a detailed description of any attempt by the establishment to interfere with the independence of the Office, including— (i) with budget constraints designed to limit the capabilities of the Office; and (ii) incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action; and (B) a summary of each report made to the head of the establishment under section 6(c)(2) during the reporting period	None to report
Section 5(a) (16)	(A) Descriptions of inspections, evaluations, audits, and investigations that are closed and were not disclosed to the public; and (B) Descriptions of investigations conducted by the office involving a senior government employee that are closed and were not disclosed to the public	None to report

### Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

REPORTING	REQUIREMENT	PAGE
Section 989(C)	Peer review reporting	76

## Appendices

# Funds Recommended for Better Use

Funds Put to a Better Use Agreed to by DOL <sup>6</sup>	Number of Reports	Dollar Value (\$ millions)
For which no management decision had been made as of the commencement of the reporting period	2	\$1,313
Issued during the reporting period	0	\$0
<b>Subtotal</b>	<b>2</b>	<b>\$1,313</b>
For which a management decision was made during the reporting period:		
• Dollar value of recommendations that were agreed to by management	1	\$21
• Dollar value of recommendations that were not agreed to by management		
For which no management decision had been made as of the end of the reporting period	1	<b>\$1,292</b>

Funds Put to a Better Use Implemented by DOL	Number of Reports	Dollar Value (\$ millions)
For which final action had not been taken as of the commencement of the reporting period	5	\$73,786
For which management or appeal decisions were made during the reporting period	1	\$21
<b>Subtotal</b>	<b>6</b>	<b>\$73,807</b>
For which management decision was made during the reporting period:		
• Dollar value of recommendations that were actually completed	1	\$21
• Dollar value of recommendations that management has subsequently concluded should not or could not be implemented or completed		
For which no final action had been taken by the end of the reporting period	5	<b>\$73,786</b>

<sup>6</sup> The term “recommendation that funds be put to better use” means a recommendation by the OIG that funds could be used more efficiently or achieve greater program effectiveness if management took actions to implement and complete the recommendation. This term is defined by the Inspector General Act of 1978, as amended, and includes, among other things, reductions in future outlays; deobligation of funds from programs or operations; costs not incurred in the future by implementing recommended improvements related to the operations of the establishment, a contractor, or a grantee; and any other savings specifically identified, including reverting funds to Treasury to be used for other purposes.

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### Questioned Costs

Resolution Activity: Questioned Costs <sup>7</sup>	Number of Reports	Questioned Costs (\$ millions)
For which no management decision had been made as of the commencement of the reporting period (as adjusted)	4	\$374
Issued during the reporting period	1	\$8
Subtotal	5	\$382
For which a management decision was made during the reporting period:		
• Dollar value of disallowed costs	2	\$28
• Dollar value of costs not disallowed	0	\$0
For which no management decision had been made as of the end of the reporting period	3	\$354
For which no management decision had been made within six months of issuance	2	\$346

Closure Activity: Disallowed Costs <sup>8</sup>	Number of Reports	Disallowed Costs (\$ millions)
For which final action had not been taken as of the commencement of the reporting period (as adjusted)	3	\$295
For which management or appeal decisions were made during the reporting period	2	\$28
Subtotal	5	\$323
For which final action was taken during the reporting period:		
• Dollar value of disallowed costs that were recovered	0	\$0
• Dollar value of disallowed costs that were written off	0	\$0
• Dollar value of disallowed costs that entered appeal status	0	\$0
For which no final action had been taken by the end of the reporting period	5	\$323

7 As defined by the Inspector General Act of 1978, as amended, questioned costs include alleged violations of law, regulations, contracts, grants, or agreements; costs not supported by adequate documentation; or the expenditure of funds for an intended purpose that was unnecessary or unreasonable.

8 Disallowed costs are costs that the OIG questioned during an audit as unsupported or unallowable and that the grant/contracting officer has determined the auditee should repay. The Department is responsible for collecting the debts established. The amount collected may be less than the amount disallowed, and monies recovered usually cannot be used to fund other program operations and are returned to Treasury.

# Appendices

## Final Audit Reports Issued

Report Title; Report Number; Date Issued	Number of Recommendations	Questioned Costs (\$)	Funds Put To Better Use (\$)	Management Decision Made by End of Reporting Period <sup>9</sup>
<b>Employment and Training Administration</b>				
COVID-19 Minimally Affected the Jobs for Veteran State Grants Program Amid Weaknesses in Eligibility Validation Practices; Report No. 06-26-001-02-203; 01/22/26	3	\$8,436,366	\$0	Yes
Total (1 Report)				
<b>Office of Workers' Compensation Programs</b>				
Special Report Relating to the Federal Employees' Compensation Act Special Benefit Fund September 30, 2025; Report No. 22-26-001-04-431; 12/18/25	0	\$0	\$0	No Response Required
Total (1 Report)				
<b>Final Audit Total (2 Reports)</b>	<b>3</b>	<b>\$8,436,366</b>	<b>\$0</b>	

<sup>9</sup> The management decisions documented in this table refer to decisions made from April 1, 2025, to September 30, 2025. Management decisions noted in the Funds Put to a Better Use and Questioned Cost tables include information from both current and prior semiannual reporting periods.

# Appendices

## Other Reports

Report Title; Report Number; Date Issued	Number of Recommendations	Management Decision Made by End of Reporting Period
<b>Congressional Testimony</b>		
<b>Testimony before the U.S. House of Representatives Committee on Ways and Means</b>		
Reclaiming 'Forgotten' Fraudulent Pandemic Unemployment Funds Frozen by Banks; Report No. 19-26-001-03-315; 03/05/26	0	No Response Required
Total (1 Report)		
<b>Employment and Training Programs</b>		
Quality Control Review of the Single Audit of the Chicago Cook Workforce Partnership for the Year Ended June 30, 2024; Report No. 24-26-001-50-598; 01/13/26	0	No Response Required
Quality Control Review of the Single Audit of Easter Seals, Inc. and the Easter Seals Foundation for the Year Ended December 31, 2024; Report No. 24-26-002-50-598; 01/13/26	0	No Response Required
Alert Memorandum: The Employment and Training Administration Needs to Ensure State Workforce Agencies Take Action to Recover Significant Unemployment Insurance Holdings Still Held by Financial Institution 1's Prepaid Card Program; Report No. 50-26-001-03-315; 01/30/26	0	No Response Required
Alert Memorandum: The Employment and Training Administration Needs to Ensure State Workforce Agencies Take Action to Recover Significant Unemployment Insurance Holdings Still Held by Financial Institution 2's Prepaid Card Program; Report No. 50-26-002-03-315; 02/10/26	0	No Response Required
Quality Control Review for the Single Audit of the State of Hawaii, Department of Accounting and General Services, for the Fiscal Year Ended June 30, 2024; Report No. 24-26-003-50-598; 03/12/26	0	No Response Required
Total (5 Reports)		
<b>Other Reports Total (6 Reports)</b>	<b>0</b>	

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# Unresolved Audit Reports Over 6 Months Old

Agency	Report Title; Report Number; Date Issued	Number of Unresolved Recommendations	Questioned Costs (\$)
<b>Agency Management Decision or Grant/Contracting Officer's Final Determination Did Not Resolve; OIG Negotiating with Agency</b>			
EBSA	EBSA Faced Challenges Enforcing Compliance with Mental Health Parity Laws and Requirements; Report No. 09-25-001-12-001; 02/19/25	5	\$0
ETA	Unemployment Insurance Overpayments Related to Work Search Underscore the Need for More Consistent State Requirements; Report No. 04-21-001-03-315; 09/29/21	1	\$0
ETA	Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program; Report No. 19-23-012-03-315; 09/25/23	2	\$0
ETA	COVID-19: ETA Needs a Plan to Reconcile and Return to the U.S. Treasury Nearly \$5 Billion Unused by States for a Temporary Unemployment Insurance Program; Report No. 19-23-015-03-315; 09/28/23	1	\$105,100,000
ETA	ETA Did Not Ensure States Sufficiently Implemented the Mixed Earners Unemployment Compensation Program; Report No. 19-24-005-03-315; 09/11/24	1	\$0
ETA	COVID-19: ETA Could Have Done More to Ensure States Had Sufficient Staffing to Deliver Timely Pandemic Unemployment Benefits; Report No. 19-25-002-03-315; 11/22/24	1	\$0
ETA	ETA and State Workforce Agencies Need to Do More to Recover Pandemic UI Program Improper Payments; Report No. 19-25-003-03-315; 04/01/25	4	\$0
ETA	COVID-19: ETA Needs to Improve Its Oversight of States' Efforts to Identify Multistate UI Fraud; Report No. 19-25-004-03-315; 08/04/25	1	\$0
ETA	ETA Did Not Ensure ARPA Grants Demonstrated Improvements in Access to Unemployment Benefits; Report No. 19-25-006-03-315; 08/28/25	1	\$0
ETA	COVID-19: Recovery of Millions in Pandemic-Related UI Overpayments Improperly Waived, Including Fraud; Report No. 19-25-009-03-315; 09/25/25	1	\$240,973,884
MSHA	MSHA Needs to Provide Better Oversight of Emergency Response Plans; Report No. 05-17-002-06-001; 03/31/17	2	\$0
MSHA	COVID-19: MSHA Did Not Complete or Accurately Report Mandatory Inspections; Report No. 19-24-001-06-001; 10/17/23	7	\$0
MSHA	Alert Memorandum: Urgent Concerns for Miner Safety and Health in At Least Three U.S. Territories: MSHA Has Never Conducted Mandatory Inspections and Conducted Inappropriate Oversight of Mines in the Pacific Territories; Report No. 05-25-002-06-001; 11/12/24	1	\$0

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OASAM	Without an IT Modernization Framework, DOL Is Vulnerable to Inadequate Resource Prioritization for Ensuring Security and Availability of DOL Systems; Report No. 23-24-002-07-725; 11/17/23	2	\$0
OASAM	DOL Implemented Its Wireless Network Securely, Though Security Gaps Exist in Testing, Updating, Patching, and Continuous Review; Report No. 23-24-003-07-720; 09/11/24 <sup>10</sup>	2	\$0
OASAM	FY 2024 FISMA DOL Information Security Report: Continued Improvement of Information System Security Program; Report No. 23-25-002-07-725; 12/10/24	2	\$0
OCFO	The U.S. Department of Labor Did Not Meet the Requirements for Compliance With the Payment Integrity Information Act for FY 2024; Report No. 22-25-007-13-001; 05/27/25	1	\$0
OSEC	DOL's IT Governance Lacked the Framework Necessary to Support the Overall Mission; Report No. 23-21-002-01-001; 09/30/21	1	\$0
OSHA	COVID-19: OSHA Needs to Do More to Address High Injury Rates of Warehouse Workers; Report No. 19-23-013-10-105; 09/27/23	3	\$0
<b>Total Nonmonetary Recommendations and Questioned Costs</b>		<b>39</b>	<b>\$346,073,884</b>

Agency	Report Title; Report Number; Date Issued	Number of Recommendations	Funds Recommended for Better Use (\$)
<b>Agency Management Decision or Grant/Contracting Officer's Final Determination Did Not Resolve; OIG Negotiating with Agency</b>			
ETA	Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program; Report No. 19-23-012-03-315; 09/25/23	1	\$1,292,205,723
<b>Total Funds Recommended for Better Use</b>		<b>1</b>	<b>\$1,292,205,723</b>

Total Audit Exceptions and Questioned Costs	39	\$346,073,884
Total Funds Recommended for Better Use	1	\$1,292,205,723
Total Audit Exceptions, Questioned Costs, and Funds Recommended for Better Use	40	\$1,638,279,607

<sup>10</sup> This report contains sensitive information and content was not posted for public viewing.

## Appendices

# Management Decision Made During this Reporting Period on Final Audit, Inspection, or Evaluation Reports Issued During a Previous Reporting Period

Report Title; Report Number; Date Issued	Management Decision Made by End of Reporting Period	Number of Recommendations Impacted by Management Decision	Questioned Costs (\$) Impacted by Management Decision	Funds Put to Better Use (\$) Impacted by Management Decision
<b>Employment and Training Administration</b>				
ETA and State Workforce Agencies Need to Do More to Recover Pandemic UI Program Improper Payments; Report No. 19-25-003-03-315; 04/01/25	Yes	0 of 4	\$0	\$0
COVID-19: ETA Needs to Improve Its Oversight of States' Efforts to Identify Multistate UI Fraud; Report No. 19-25-004-03-315; 08/04/25	Yes	2 of 3	\$0	\$0
COVID-19: ETA Needs to Improve Its Oversight of States' Efforts to Identify UI Fraud Using Deceased Persons' Social Security Numbers; Report No. 19-25-005-03-315; 08/15/25	No Response Required	0	\$0	\$0
ETA Did Not Ensure ARPA Grants Demonstrated Improvements in Access to Unemployment Benefits; Report No. 19-25-006-03-315; 08/28/25	Yes	3 of 4	\$2,827,736	\$20,772,490
COVID-19: ETA Needs to Improve Its Oversight of States' Efforts to Identify UI Fraud Using Suspicious Email Accounts; Report No. 19-25-007-03-315; 09/16/25	No Response Required	0	\$0	\$0
COVID-19: Recovery of Millions in Pandemic-Related Unemployment Insurance Overpayments Improperly Waived, Including Fraud; Report No. 19-25-009-03-315; 09/25/25	Yes	4 of 5	\$0	\$0

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COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New York; Report No. 19-25-008-03-391; 09/26/25	Yes	6 of 6	\$25,391,220	\$0
Total (7 Reports)				
<b>Office of the Chief Financial Officer</b>				
The U.S. Department of Labor Did Not Meet the Requirements for Compliance with the Payment Integrity Information Act for FY 2024; Report No. 22-25-007-13-001; 5/27/25	Yes	2 of 3	\$0	\$0
Total (1 Report)				
<b>Office of Workers' Compensation Programs</b>				
Longshore and Harbor Workers' Compensation Act Special Fund Financial Statements and Independent Auditors' Report September 30, 2024 and 2023; Report No. 22-25-005-04-432; 04/28/25	No Response Required	0	\$0	\$0
District of Columbia Workmen's Compensation Act Special Fund Financial Statements and Independent Auditor's Report September 30, 2024 and 2023; Report No. 22-25-006-04-432; 04/28/25	No Response Required	0	\$0	\$0
OWCP Has Taken Steps to Address the Backlog of War Hazards Claims; Report No. 23-25-003-04-432; 05/12/25	No Response Required	0	\$0	\$0
Service Auditors' Report on the Integrated Federal Employees' Compensation System; Service Auditors' Report on Optum Workers' Compensation and Auto No-Fault's Retail Pharmacy Network Services System; and Service Auditors' Report on the Acentra Health LLC's U.S. Department of Labor Workers' Compensation Medical Billing Program System; Report No. 22-25-008-04-431; 09/12/25	No Response Required	0	\$0	\$0
Total (4 Reports)				
<b>Wage and Hour Division</b>				
Advisory Report: Review of WHD Efforts to Address Child Labor Law Violation Challenges; Report No. 17-25-001-15-001; 09/30/25	No Response Required	\$0	\$0	\$0
Total (1 Report)				
<b>Final Audit Total (13 Reports)</b>		<b>17 of 25</b>	<b>\$28,218,956</b>	<b>\$20,772,490</b>

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# Management Decision Made During this Reporting Period on Other Reports Issued during a Previous Reporting Period

Report Title; Report Number; Date Issued	Management Decision Made by End of Reporting Period	Number of Recommendations Impacted by Management Decision
<b>Employment and Training Programs</b>		
<b>Workforce Innovation and Opportunity Act</b>		
Quality Control Review for the Single Audit of the State of New Mexico Department of Workforce Solutions for the Fiscal Year Ended June 30, 2024; Report No. 24-25-002-50-598; 04/02/25	No Response Required	0
Quality Control Review for the Single Audit of Eckerd Connects for the Fiscal Year Ended June 30, 2024; Report No. 24-25-003-50-598; 06/03/25	No Response Required	0
Total (2 Reports)		
<b>Other Reports Total (2 Reports)</b>		<b>0</b>

# Corrective Actions Taken by the Department

*During this reporting period, we took final action to close recommendations within reports based on corrective action taken by the Department. The following is a summary of the most significant actions.*

## **ETA Did Not Ensure ARPA Grants Demonstrated Improvements in Access to Unemployment Benefits; Report No. 19-25-006-03-315; 08/28/25**

The American Rescue Plan Act of 2021 provided DOL \$1 billion in funding to prevent and detect fraud, promote equitable access, and ensure timely payment of UI benefits. Our audit found ETA did not ensure states provided evidence of UI access issues in their grant applications. ETA required states to provide an assessment within their grant applications of specific issues or problems that grant projects would address; however, ETA did not ensure these assessments included evidence that these issues or problems existed in their states. Consequently, more than \$20.7 million in funding may have been spent on projects that did not address actual issues or improve access for underserved claimant populations.

In response to our audit, ETA updated its template language for issuing funding opportunity announcements to include a request for quantitative and qualitative descriptions of the need for assistance in the proposed service area. The descriptions are to include the nature and scope of the problem and the consequences of not addressing the need. The updated template asks applicants to incorporate demographic data and participant/beneficiary information whenever possible and to cite related research, as appropriate. In addition, ETA revised its standard operating procedure for discretionary competitive awards to ensure review panelists receive specific guidance on evaluating evidence requirements prior to performing their application reviews.

## **Job Corps Needs to Revise How it Measures and Reports on its Activities Supporting the President's National Drug Control Strategy; Report No. 03-25-001-03-370; 11/22/24**

The Office of National Drug Control Policy (ONDCP) is responsible for implementing the President's National Drug Control Strategy to address addiction and the overdose epidemic in the United States. Each year, ONDCP is required to publish the National Drug Control Assessment, an update on 19 federal agencies' progress in achieving the goals and objectives of the President's Strategy. Our audit found Job Corps did not effectively measure and report the performance of its drug control activities, as required by ONDCP.

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In response to our audit, Job Corps identified existing data and performance measures that satisfied ONDCP's reporting requirements. For the 2026 National Drug Control Assessment, Job Corps: (1) began reporting one new measure on the percentage of students who received a follow-up drug test and were retained in the program; (2) eliminated reporting on two measures that caused significant reporting delays; and (3) established targets for all measures reported. In addition, Job Corps developed a standard operating procedure to improve coordination with DOL and ONDCP on any requests related to its drug control activities.

### **COVID-19: ETA Needs to Improve Its Oversight of States' Efforts to Identify Multistate UI Fraud; Report No. 19-25-004-03-315; 08/04/25**

As of September 2022, the OIG reported a cumulative \$45.6 billion paid in four high-risk areas of UI fraud identified by the OIG. Of these high-risk areas, multistate claimants—individuals filing UI claims in multiple states—was the largest with \$29 billion paid in potentially fraudulent benefits. The OIG shared its data and methodology for identifying those claimants with ETA, the agency responsible for providing states with UI program direction and oversight. Concurrently, the states are responsible for ensuring UI payments go only to eligible claimants and for making determinations of fraud. Our audit found that ETA did not ensure states consistently established and reported fraudulent overpayments distributed to imposter claimants. Without complete overpayment reporting, ETA cannot sufficiently perform its oversight role and effectively direct its resources to address identity fraud.

In response to our audit, ETA issued guidance which included additional information and clarification for reporting overpayment activities involving identity fraud: (1) establish an overpayment for the improperly paid and/or fraudulently obtained benefits, (2) issue a written determination denying benefits, and (3) report the established overpayment, including fraudulent overpayments, on the appropriate UI-required report, whether the perpetrator of the fraud is known or unknown. Additionally, the guidance reminded states of their obligation to protect victims of identity fraud and to ensure the victim is not held responsible for overpayments resulting from fraud. Further, the guidance clarified that the states' obligation to protect an identity fraud victim does not preclude the state from the requirement to establish and report the overpayment on the UI-required report.

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# Unimplemented Recommendations

*During this reporting period, we encountered four instances of audits or evaluations provided to the Department for comment that were not responded to within 60 days. However, agencies have since provided management decisions in response to all audits or evaluations issued before the commencement of this reporting period.*

*From October 1, 2014, through September 30, 2025, the OIG made 1,234 audit recommendations, of which 173 have not been fully implemented. These 173 recommendations include 155 recommendations resulting from audits issued since FY 2021, and, in many cases, the corrective action plans are in place.*

## RECOMMENDATIONS MADE PRIOR TO OCTOBER 1, 2025, NOT YET IMPLEMENTED

Fiscal Year	Total Number of Recommendations Made	Unimplemented Recommendations	
		Total Number	Monetary Impact (\$)
2014	128	1	\$0
2015	163	0	\$0
2016	100	0	\$0
2017	112	6	\$0
2018	98	1	\$0
2019	84	6	\$0
2020	105	4	\$0
2021	133	19	\$39,155,643,774
2022	67	7	\$29,581,490,253
2023	93	34	\$6,611,643,281
2024	60	27	\$129,565,581
2025	91	68	\$269,192,840
<b>Total</b>	<b>1,234</b>	<b>173</b>	<b>\$75,747,535,729</b>

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# High-Priority Unimplemented Recommendations

*The following table summarizes the unimplemented recommendations the OIG considers to be the highest priorities for the Department.*

Report Title; Report Number; Date Issued	Unimplemented Recommendation(s)
<b>Employment and Training Programs</b>	
COVID-19: More Can Be Done to Mitigate Risk to Unemployment Compensation Under the CARES Act; Report No. 19-20-008-03-315; 08/07/20	Issue guidance directing states to provide routine access to state UI claimant data in order to prevent and detect fraud.
Alert Memorandum: The Employment and Training Administration (ETA) Needs to Ensure State Workforce Agencies (SWA) Implement Effective Unemployment Insurance Program Fraud Controls for High Risk Areas; Report No. 19-21-002-03-315; 02/22/21	Establish effective controls, in collaboration with SWAs, to mitigate fraud and other improper payments to ineligible claimants, including the areas identified in the memorandum: UI benefits paid to multistate claimants, claimants who used the Social Security numbers of deceased individuals, potentially ineligible federal inmates, and claimants with suspicious email accounts. Effective controls will help prevent similar or greater amounts of fraud and allow those funds to be put to better use; Work with Congress to establish legislation requiring SWAs to cross-match high-risk areas, including the four areas identified in the memorandum.
COVID-19: States Struggled to Implement CARES Act Unemployment Insurance Programs; Report No. 19-21-004-03-315; 05/28/21	Continue to work with states to develop, operate, and maintain a modular set of technological capabilities to modernize the delivery of UI benefits that is sufficient to manage and process sudden spikes in claims volume during emergencies or high unemployment.
Alert Memorandum: The Employment and Training Administration Needs to Issue Guidance to Ensure State Workforce Agencies Provide Requested Unemployment Insurance Data to the Office of Inspector General; Report No. 19-21-005-03-315; 06/16/21	Amend 20 C.F.R. § 603.5 and 20 C.F.R. § 603.6(a) through the rulemaking process to reinforce that UI information must be provided to DOL OIG for all IG engagements authorized under the IG Act, including audits, evaluations, and investigations.
Alert Memorandum: Potentially Fraudulent Unemployment Insurance Payments in High-Risk Areas Increased to \$45.6 Billion; Report No. 19-22-005-03-315; 09/21/22	Implement immediate measures to ensure SWAs are required to provide ongoing access to the OIG by amending its current guidance to require disclosures to the OIG for audits and investigations as necessary, mandatory, and without time limitation for the proper oversight of the UI program; Expedite OIG-related amendments to 20 C.F.R. § 603.6(a) to make ongoing disclosures of UI information to DOL OIG mandatory by expressly adding the U.S. Department of Labor, Office of Inspector General (including its agents and contractors) to the list of required disclosures that are necessary for the proper oversight of the UI program without distinction as to purpose (e.g., audits versus investigations); Expedite OIG-related amendments to 20 C.F.R. § 603.5(i) to expressly make disclosures of UI information to federal officials for oversight, audits, and investigations of federal programs mandatory.

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<p>COVID-19: ETA and States Did Not Protect Pandemic-Related UI Funds from Improper Payments Including Fraud or from Payment Delays; Report No. 19-22-006-03-315; 09/30/22</p>	<p>Use data collected from monitoring and Benefit Accuracy Measurement (BAM) reports to identify the areas of highest improper payments including fraud and create a plan to prevent similar issues in future temporary UI benefit programs; Work with NASWA to update the IDH Participant Agreement to require states to submit the results of their UI fraud investigations; Work with NASWA to ensure the IDH crossmatches are effective at preventing the types of fraud that were detected during the pandemic and regularly update using the results of state fraud investigations.</p>
<p>ETA Did Not Provide Adequate Oversight of Emergency Administrative Grants; Report No. 19-23-006-03-315; 07/27/23</p>	<p>Specify within its policy the information states must include in their documentation to support compliance with the requirements to receive grant funds prior to disbursement of the funds; Remedy the \$136,353,567.50 in questioned costs.</p>
<p>COVID-19: Unemployment Relief for Governmental Entities and Nonprofit Organizations Should Have Been Better Managed; Report No. 19-23-010-03-315; 09/21/23</p>	<p>Obtain evidence from the states that ensures all Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations (EURGENO) refunds and credits to which reimbursing employers are entitled have been provided; Work with states to reconcile remaining balances; Determine the proper disposition of excess funds and take necessary actions, including the recovery of questioned costs.</p>
<p>Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program; Report No. 19-23-012-03-315; 09/25/23</p>	<p>Obtain direct access to unemployment insurance claims data from all state workforce agencies; Create an integrity program that incorporates a data analytics capability and regularly monitors state unemployment insurance claims data to detect and prevent improper payments, including fraudulent payments, and to identify trends and emerging issues that could negatively impact the unemployment insurance program.</p>
<p>COVID-19: ETA Needs a Plan to Reconcile and Return to the U.S. Treasury Nearly \$5 Billion Unused by States for a Temporary Unemployment Insurance Program; Report No. 19-23-015-03-315; 09/28/23</p>	<p>Work with Oregon, Louisiana, Delaware, and Mississippi to ensure the appropriate return of approximately \$105.1 million in Temporary Full Federal Funding (TFFF) reimbursements for firstweek regular UI compensation paid that were associated with ineligible weeks; Establish a deadline by which states are required to perform a timely review of past drawdowns and provide evidence that drawdowns were for reimbursement of eligible first-week regular UI compensation paid by the state for claim weeks that fell within the TFFF program period; Ensure that any state drawdowns of the remaining almost \$5 billion in TFFF funds are only for the reimbursement of first-week regular UI compensation paid by the state that fall within the TFFF program period (March 27, 2020, through September 6, 2021); Establish written procedures and deadlines for the timely return of funding for TFFF and future similar programs and consult with OMB and Treasury officials to execute the proper return of unused funds that remain within states' accounts.</p>
<p>COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New Jersey; Report No. 19-23-016-03-391; 09/28/23</p>	<p>Develop and implement risk tolerance for the amount of participants being served under the WIOA Adult, Youth, and Dislocated Workers program; Establish and implement a plan to improve monitoring activities to ensure grantees and sub-recipients are properly documenting eligibility.</p>

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<p>COVID-19: ETA's Oversight of Short-Time Compensation Did Not Detect \$129.6 Million in Questioned Costs; Report No. 19-24-003-03-315; 06/26/24</p>	<p>Establish policies and procedures for monitoring, using lessons learned from the Short-Time Compensation (STC) program during the pandemic, that ensure states meet requirements for similar future temporary unemployment insurance programs that provide federal reimbursements to states; Review states' compliance with STC eligibility requirements and require all states with STC agreements to return federal funds used for reimbursements of STC benefit payments for weeks of unemployment beginning before March 27, 2020, and ending after September 6, 2021, as well as for reimbursements that exceeded benefits paid; Monitor states administering unemployment insurance programs subsidized with federal funds, including temporary programs such as STC, to ensure compliance with the 3-year records retention requirements established in the Code of Federal Regulations (2 C.F.R. § 200.334).</p>
<p>ETA Did Not Ensure States Sufficiently Implemented the Mixed Earners Unemployment Compensation Program; Report No. 19-24-005-03-315; 09/11/24</p>	<p>Perform an assessment of previous emergency UI programs and the pandemic-related UI programs to determine an appropriate historically-based time limit for states' acceptance of emergency program benefit claims after the expiration of the UI programs' eligibility periods and consider making a legislative proposal to Congress to use the determined time limit on future emergency programs.</p>
<p>COVID-19: ETA Could Have Done More to Ensure States Had Sufficient Staffing to Deliver Timely Pandemic Unemployment Benefits; Report No. 19-25-002-03-315; 11/22/24</p>	<p>Capture lessons learned from the pandemic and use the information to develop performance standards for prompt payment of UI benefits under temporary UI programs; Establish policy that requires officials to issue guidance timely for ETA regional offices to monitor and measure the effectiveness of states' use of staffing to support the implementation of temporary UI programs; Establish policy that requires states to develop corrective action plans to address staffing related concerns negatively impacting permanent and temporary UI programs, as identified by regional offices during monitoring reviews; Establish policy that requires ETA officials to develop a business case analysis and supporting justification before suspending UI program integrity functions for states to manage workload surges during emergency events.</p>
<p>COVID-19: ETA Needs to Improve Its Oversight of States' Efforts to Identify Multistate UI Fraud; Report No. 19-25-004-03-315; 08/04/25</p>	<p>Evaluate fraud risk mitigation strategies and actions on a quarterly basis to determine their effectiveness and document the results accordingly, in compliance with the processes set forth in ETA's UI Integrity Strategic Plan; Identify the states that have not complied with ETA 227 reporting requirements for FPUC and PEUC and ETA 902P reporting requirements for PUA and work with the states to ensure fraudulent overpayments for the CARES Act UI programs are reported before the commencement of DOL's Fiscal Year 2025 financial statement audit.</p>
<p>ETA Did Not Ensure ARPA Grants Demonstrated Improvements in Access to Unemployment Benefits; Report No. 19-25-006-03-315; 08/28/25</p>	<p>Develop additional guidance and staff training to improve monitoring of grant recipients, including a focus on reviewing progress reports to ensure reporting complies with requirements and grant recipients are on target to achieve grant goals as identified in the grant agreement.</p>

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<p>COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New York; Report No. 19-25-008-03-391; 09/26/25</p>	<p>Establish and implement data verification checks to ensure participants reported are unique individuals who obtained services through Workforce Innovation and Opportunity Act programs while strengthening controls to properly exit participants after 90 days without services; Establish and implement a plan to improve monitoring activities to ensure grant recipients and sub-recipients are properly documenting eligibility and ensuring participant-level services are delivered by each program in which the participant is co-enrolled; Remedy the \$19,639,718 in questioned costs associated with the contractual service contracts awarded in non-compliance with federal requirements; Remedy the \$5,751,502 in questioned costs associated with payroll and non-payroll costs; Establish and implement a plan to increase the level of technical assistance and monitoring for grant recipients and sub-recipients to ensure they comply with the general procurement standards; Develop and implement a formal comprehensive Conflict of Interest Policy to ensure staff are actively monitoring, identifying and resolving conflict of interest issues.</p>
<p><b>Worker Safety</b></p>	
<p>MSHA Needs to Provide Better Oversight of Emergency Response Plans; Report No. 05-17-002-06-001; 03/31/17</p>	<p>Clarify mine operators' responsibilities for local coordination under the Mine Improvement and New Emergency Response (MINER) Act, including coordination and communication between the operator, mine rescue teams, and local emergency response personnel, and familiarizing local rescue personnel with surface functions that may be required in the course of mine rescue work.</p>
<p>MSHA Needs to Improve Efforts to Protect Coal Miners from Respirable Crystalline Silica; Report No. 05-21-001-06-001; 11/12/20</p>	<p>Enhance its sampling program to increase the frequency of inspector samples where needed (e.g., by implementing a risk-based approach).</p>
<p>Alert Memorandum: Urgent Concerns for Miner Safety and Health in At Least Three U.S. Territories: MSHA Has Never Conducted Mandatory Inspections and Conducted Inappropriate Oversight of Mines in the Pacific Territories; Report No. 05-25-002-06-001; 11/12/24</p>	<p>Revise MSHA's implementation plan for when it will begin inspecting mines within American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands and begin implementing the plan. The revised plan should address: (1) when enforcement of the Mine Act and MSHA regulations will begin; (2) how inspections will occur in future years (e.g., travel from a specific MSHA district or setting up a field office nearby); (3) whether additional training will occur and how (e.g., in-person, virtual, hybrid, via grants, et cetera); and (4) how funding will be obtained to conduct required MSHA activities in FY 2025.</p>
<p>COVID-19: OSHA's Enforcement Activities Did Not Sufficiently Protect Workers from Pandemic Health Hazards; Report No. 19-23-001-10-105; 10/31/22</p>	<p>As part of OSHA's rulemaking on infectious diseases, require employers to notify all employees of all known positive cases of infectious diseases at the worksite; Develop and implement a tracking tool to ensure OSHA receives and reviews all items Compliance Safety and Health Officers (CSHO) request during inspections to ensure alleged hazards have been mitigated.</p>
<p>OSHA Needs to Better Address Complaints and Referrals for Increased Worker Safety; Report No. 02-23-001-10-105; 03/06/23</p>	<p>Modify the Field Operations Manual to include a policy for mandatory interviews of complainants and witnesses or document the rationale for lack thereof and provide training to CSHOs on the updated requirements.</p>

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<p>COVID-19: OSHA Needs to Do More to Address High Injury Rates of Warehouse Workers; Report No. 19-23-013-10-105; 09/27/23</p>	<p>Develop specific, measurable inspection goals for the Site-Specific Targeting program, including a baseline for the number of inspections in each Site-Specific Targeting category, and periodically monitor progress toward those goals; Develop a more effective enforcement strategy to improve employer Form 300A compliance; Assess Form 300A data categories and gather more specific supporting information about injuries to better identify the count and type of injuries reported, such as musculoskeletal disorders; Develop specific measurable inspection goals for the warehousing National Emphasis Program, including a baseline for the number of inspections to complete and periodically monitor progress toward those goals. Ensure the goals contain metrics that demonstrate the outcomes of the program.</p>
<p><b>Employee Benefits</b></p>	
<p>EBSA Did Not Have the Ability to Protect the Estimated 79 Million Plan Participants in Self-Insured Health Plans from Improper Denials of Health Claims; Report No. 05-17-001-12-121; 11/18/16</p>	<p>Reduce or eliminate exemption thresholds for small plans.</p>
<p>OLMS Can Do More to Protect Workers' Rights to Unionize Through Enforcing Persuader Activity Disclosure; Report No. 09-24-002-16-001; 05/03/24</p>	<p>Outline requirements needed to strengthen enforcement authority to align with the Labor-Management Reporting and Disclosure Act of 1959's intentions to protect workers' rights and interests to unionize by recommending rule changes or legislative changes to increase employer and consultant compliance.</p>
<p><b>Departmental Management</b></p>	
<p>DOL Needs to Do More to Secure Employees' Personally Identifiable Information in the Travel Management System; Report No. 23-20-003-13-001; 09/10/20</p>	<p>Establish and implement procedures to ensure E2 Solutions (E2) account management practices enforce DOL's security policies; Establish and implement procedures to ensure E2 is managed in compliance with contractual security requirements and DOL computer security policies for contracted information systems.</p>
<p>DOL's IT Governance Lacked the Framework Necessary to Support the Overall Mission; Report No. 23-21-002-01-001; 09/30/21</p>	<p>Ensure the Chief Information Officer is a lead member with voting rights of DOL's executive strategy and management boards and committees, including but not limited to the Management Review Board, Enterprise Shared Services Governance Board, COVID-19 Coordination team, and Enterprise Risk Management Council.</p>
<p>FY 2022 FISMA DOL Information Security Report: DOL's Information Security Program Not Remaining Current with Security Requirements; Report No. 23-23-001-07-725; 02/10/23</p>	<p>Update DOL entity-wide and system-level security policies, procedures, and plans to comply with National Institute of Standards and Technology Special Publication 800-53, Revision 5; Implement data loss prevention tools and alerts based on the results of agencies' data exfiltration tests.</p>
<p>Management Alert Memorandum: The Majority of DOL Nondisclosure Agreements Do Not Include Required Anti-Gag Language; Report No. 09-25-0001-MA-01; 01/14/25</p>	<p>Send an updated memorandum to all DOL Agency Heads reminding them of the requirement to include the anti-gag provision in all nondisclosure forms, agreements, and related documents; Revise all existing nondisclosure agreement forms or templates to include the required anti-gag language.</p>

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# Summary of Reports with Unimplemented Recommendations with Cost Savings / Funds Put to Better Use

Report Title; Report Number; Date Issued	Number of Unimplemented Recommendations	Funds Put to Better Use (\$)
<b>Employment and Training Administration</b>		
<p>Alert Memorandum: The Employment and Training Administration (ETA) Needs to Ensure State Workforce Agencies (SWA) Implement Effective Unemployment Insurance Program Fraud Controls for High-Risk Areas; Report No. 19-21-002-03-315; 02/22/21</p> <p>Establish effective controls, in collaboration with SWAs, to mitigate fraud and other improper payments to ineligible claimants, including the areas identified in the memorandum: UI benefits paid to multistate claimants, claimants who used the Social Security numbers of deceased individuals, potentially ineligible federal inmates, and claimants with suspicious email accounts. Effective controls will help prevent similar or greater amounts of fraud and allow those funds to be put to better use.</p>	1	\$5,409,966,198
<p>COVID-19: States Struggled to Implement CARES Act Unemployment Insurance Programs; Report No. 19-21-004-03-315; 05/28/21</p> <p>Continue to work with states to develop, operate, and maintain a modular set of technological capabilities to modernize the delivery of UI benefits that is sufficient to manage and process sudden spikes in claims volume during emergencies or high unemployment.</p>	1	\$33,745,677,576
<p>Alert Memorandum: Potentially Fraudulent Unemployment Insurance Payments in High-Risk Areas Increased to \$45.6 Billion; Report No. 19-22-005-03-315; 09/21/22</p> <p>Expedite OIG-related amendments to 20 C.F.R. § 603.6(a) to make ongoing disclosures of UI information to DOL-OIG mandatory by expressly adding the U.S. Department of Labor, Office of Inspector General (including its agents and contractors) to the list of required disclosures that are necessary for the proper oversight of the UI program without distinction as to purpose (e.g., audits versus investigations).</p>	1	\$29,581,490,253
<p>Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program; Report No. 19-23-012-03-315; 09/25/23</p> <p>Establish effective controls, in collaboration with State Workforce Agencies, to mitigate fraud and other improper payments to ineligible claimants in high-risk age categories.</p>	1	\$1,292,205,723

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<p>COVID-19: ETA Needs a Plan to Reconcile and Return to the U.S. Treasury Nearly \$5 Billion Unused by States for a Temporary Unemployment Insurance Program; Report No. 19-23-015-03-315; 09/28/23</p> <p>Establish written procedures and deadlines for the timely return of funding for TFFF and future similar programs and consult with OMB and Treasury officials to execute the proper return of unused funds that remain within states' accounts.<sup>11</sup></p>	1	\$4,948,811,006
<p>COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New Jersey; Report No. 19-23-016-03-391; 09/28/23</p> <p>Develop and implement risk tolerance for the amount of participants being served under the WIOA Adult, Youth, and Dislocated Workers program.</p>	1	\$100,098,923
<b>Total</b>	<b>6</b>	<b>\$75,078,249,679</b>

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11 To date, ETA has completed the reconciliation process in accordance with Unemployment Insurance Program Letter No. 20-20, Change 1, for 52 states and territories, and facilitated the return of \$4,475,268,389. ETA has reserved \$265 million in the Uninvested Federal Unemployment Account for states' unpaid TFFF expenditures. We will close this recommendation once ETA provides documentation to support that the \$265 million reserved for states' unpaid TFFF expenditures has been reconciled and unused funds that remained within states' accounts have been properly returned.

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# Reports with Unimplemented Recommendations for Management Improvement or Disallowed Costs Owed

The following table lists all OIG reports issued prior to this semiannual reporting period with recommendations that have not yet been fully implemented (as of March 31, 2026). For identification of each recommendation made before March 31, 2026, visit our online [Recommendation Dashboard](#).

Report Title; Report Number; Date Issued	Number of Unimplemented Recommendations	Unimplemented or Disallowed Costs Owed
<b>Bureau of Labor Statistics</b>		
BLS Could Do More to Identify Data Limitations and Increase Transparency; Report No. 17-24-001-11-001; 10/26/23	2	\$0
<b>Employee Benefits Security Administration</b>		
Limited-Scope Audits Provide Inadequate Protections to Retirement Plan Participants; Report No. 05-14-005-12-121; 09/30/14	1	\$0
EBSA Did Not Have the Ability to Protect the Estimated 79 Million Plan Participants in Self-Insured Health Plans from Improper Denials of Health Claims; Report No. 05-17-001-12-121; 11/18/16	1	\$0
EBSA Faced Challenges Enforcing Compliance with Mental Health Parity Laws and Requirements; Report No. 09-25-001-12-001; 02/19/25	5	\$0
<b>Employment and Training Administration</b>		
COVID-19: More Can Be Done to Mitigate Risk to Unemployment Compensation Under the CARES Act; Report No. 19-20-008-03-315; 08/07/20	1	\$0
Alert Memorandum: The Employment and Training Administration (ETA) Needs to Ensure State Workforce Agencies (SWA) Implement Effective Unemployment Insurance Program Fraud Controls for High-Risk Areas; Report No. 19-21-002-03-315; 02/22/21	1	\$0

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COVID-19: States Struggled to Implement CARES Act Unemployment Insurance Programs; Report No. 19-21-004-03-315; 05/28/21	1	\$0
Alert Memorandum: The Employment and Training Administration Needs to Issue Guidance to Ensure State Workforce Agencies Provide Requested Unemployment Insurance Data to the Office of Inspector General; Report No. 19-21-005-03-315; 06/16/21	3	\$0
Unemployment Insurance Overpayments Related to Work Search Underscore the Need for More Consistent State Requirements; Report No. 04-21-001-03-315; 09/29/21	3	\$0
Alert Memorandum: Potentially Fraudulent Unemployment Insurance Payments in High-Risk Areas Increased to \$45.6 Billion; Report No. 19-22-005-03-315; 09/21/22	2	\$0
COVID-19: ETA and States Did Not Protect Pandemic Related UI Funds from Improper Payments, Including Fraud or from Payment Delays; Report No. 19-22-006-03-315; 09/30/22	3	\$0
ETA Did Not Provide Adequate Oversight of Emergency Administrative Grants; Report No. 19-23-006-03-315; 07/27/23	2	\$136,353,568
COVID-19: Unemployment Relief for Governmental Entities and Nonprofit Organizations Should Have Been Better Managed; Report No. 19-23-010-03-315; 09/21/23	3	\$29,074,061
COVID-19: ETA Can Improve Its Oversight to Ensure Integrity over CARES Act UI Programs; Report No. 19-23-011-03-315; 09/22/23	1	\$0
Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program; Report No. 19-23-012-03-315; 09/25/23	2	\$0
COVID-19: Pandemic Unemployment Assistance for Non-Traditional Claimants Weakened by Billions in Overpayments, Including Fraud; Report No. 19-23-014-03-315; 09/27/23	1	\$0
COVID-19: ETA Needs a Plan to Reconcile and Return to the U.S. Treasury Nearly \$5 Billion Unused by States for a Temporary Unemployment Insurance Program; Report No. 19-23-015-03-315; 09/28/23	6	\$105,100,000
COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New Jersey; Report No. 19-23-016-03-391; 09/28/23	1	\$0
COVID-19: ETA's Oversight of Short-Time Compensation Did Not Detect \$129.6 Million in Questioned Costs; Report No. 19-24-003-03-315; 06/26/24	3	\$129,565,581
ETA Did Not Ensure States Sufficiently Implemented the Mixed Earners Unemployment Compensation Program; Report No. 19-24-005-03-315; 09/11/24	4	\$0

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COVID-19: ETA Could Have Done More to Ensure States Had Sufficient Staffing to Delivery Timely Pandemic Unemployment Benefits; Report No. 19-25-002-03-315; 11/22/24	4	\$0
COVID-19: Data Sharing Project Finds Billions Paid to Same Likely Fraudsters Under Both the Unemployment Insurance and Economic Injury Disaster Loan Programs; Report No. 19-25-001-03-315; 12/05/24	1	\$0
ETA Can Improve Its Management of the H-2A Program; Report No. 06-25-001-03-321; 02/25/25	3	\$0
ETA and State Workforce Agencies Need to Do More to Recover Pandemic UI Program Improper Payments; Report No. 19-25-003-03-315; 04/01/25	4	\$0
COVID-19: ETA Needs to Improve Its Oversight of States' Efforts to Identify Multistate UI Fraud; Report No. 19-25-004-03-315; 08/04/25	2	\$0
ETA Did Not Ensure ARPA Grants Demonstrated Improvements in Access to Unemployment Benefits; Report No. 19-25-006-03-315; 08/28/25	3	\$2,827,736
COVID-19: Recovery of Millions in Pandemic-Related Unemployment Insurance Overpayments Improperly Waived, Including Fraud; Report No. 19-25-009-03-315; 09/25/25	5	\$240,973,884
COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New York; Report No. 19-25-008-03-391; 09/26/25	6	\$25,391,220
<b>Mine Safety and Health Administration</b>		
MSHA Needs to Provide Better Oversight of Emergency Response Plans; Report No. 05-17-002-06-001; 03/31/17	5	\$0
MSHA Can Improve Its Pre-Assessment Conferencing Program; Report No. 05-19-001-06-001; 09/23/19	6	\$0
MSHA Needs to Improve Efforts to Protect Coal Miners from Respirable Crystalline Silica; Report No. 05-21-001-06-001; 11/12/20	1	\$0
MSHA Can Improve How Violations Are Issued, Terminated, Modified, and Vacated; Report No. 05-21-002-06-001; 03/31/21	5	\$0
COVID-19: MSHA Did Not Complete or Accurately Report Mandatory Inspections; Report No. 19-24-001-06-001; 10/17/23	9	\$0

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Alert Memorandum: Urgent Concerns for Miner Safety and Health in At Least Three U.S. Territories: MSHA Has Never Conducted Mandatory Inspections and Conducted Inappropriate Oversight of Mines in the Pacific Territories; Report No. 05-25-002-06-001; 11/12/24	8	\$0
<b>Office of the Assistant Secretary for Administration and Management</b>		
FY 2021 FISMA DOL Information Security Report: Information Security Continuous Monitoring Controls Remain Deficient; Report No. 23-22-001-07-725; 01/28/22	1	\$0
FY 2022 FISMA DOL Information Security Report: DOL's Information Security Program Not Remaining Current with Security Requirements; Report No. 23-23-001-07-725; 02/10/23	2	\$0
Without an IT Modernization Framework, DOL Is Vulnerable to Inadequate Resource Prioritization for Ensuring Security and Availability of DOL Systems; Report No. 23-24-002-07-725; 11/17/23	2	\$0
DOL Implemented Its Wireless Network Securely, Though Security Gaps Exist in Testing, Updating, Patching, and Continuous Review; Report No. 23-24-003-07-720; 09/11/24	4	\$0
DOL Continues to Make Progress Toward Compliance with the Geospatial Data Act of 2018; Report No. 23-25-001-01-001; 10/03/24	3	\$0
FY 2024 FISMA DOL Information Security Report: Continued Improvement of Information System Security Program; Report No. 23-25-002-07-725; 12/10/24	4	\$0
Management Alert Memorandum: The Majority of DOL Nondisclosure Agreements Do Not Include Required Anti-Gag Language; Report No. 09-25-0001-MA-01-001; 01/14/25	2	\$0
<b>Office of the Chief Financial Officer</b>		
DOL Needs to Do More to Secure Employees' Personally Identifiable Information in the Travel Management System; Report No. 23-20-003-13-001; 09/10/20	2	\$0
FY 2024 Independent Auditors' Report on DOL's Consolidated Financial Statements; Report No. 22-25-002-13-001; 11/14/24	3	\$0
Management Advisory Comments Identified in an Audit of the Consolidated Financial Statements, for the Year Ended September 30, 2024; Report No. 22-25-003-13-001; 12/18/24	12	\$0
The U.S. Department of Labor Did Not Meet the Requirements for Compliance with the Payment Integrity Information Act for FY 2024; Report No. 22-25-007-13-001; 05/27/25	3	\$0

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<b>Office of Labor-Management Standards</b>		
OLMS Can Do More to Protect Workers' Rights to Unionize Through Enforcing Persuader Activity Disclosure; Report No. 09-24-002-16-001; 05/03/24	3	\$0
<b>Office of the Secretary</b>		
DOL's IT Governance Lacked the Framework Necessary to Support the Overall Mission; Report No. 23-21-002-01-001; 09/30/21	1	\$0
<b>Occupational Safety and Health Administration</b>		
OSHA Needs to Improve the Guidance for Its Fatality and Severe Injury Reporting Program to Better Protect Workers; Report No. 02-18-203-10-105; 09/13/18	1	\$0
Review of the Occupational Safety and Health Administration's Referral to and Reclamation of Debt from the U.S. Department of the Treasury; Report No. 22-20-006-10-001; 03/16/20	1	\$0
OSHA's Diminished Enforcement Left More Workers at Risk for Exposure to Silica; Report No. 02-21-003-10-105; 09/29/21	1	\$0
COVID-19: OSHA's Enforcement Activities Did Not Sufficiently Protect Workers from Pandemic Health Hazards; Report No. 19-23-001-10-105; 10/31/22	4	\$0
OSHA Needs to Better Address Complaints and Referrals for Increased Worker Safety; Report No. 02-23-001-10-105; 03/06/23	3	\$0
COVID-19: OSHA Needs to Do More to Address High Injury Rates of Warehouse Workers; Report No. 19-23-013-10-105; 09/27/23	6	\$0
<b>Wage and Hour Division</b>		
COVID-19: The Pandemic Highlighted the Need to Strengthen Wage and Hour Division's Enforcement Controls; Report No. 19-21-008-15-001; 09/30/21	1	\$0
<b>Totals</b>	<b>167</b>	<b>\$669,286,050</b>

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# Investigative Statistics

	Division Totals	Total
<b>Investigative Reports Issued / Cases Closed</b> (includes investigative reports issued, case closing reports, and matters referred for possible civil and/or administrative action):		133
Program Fraud Labor Racketeering	118 15	
<b>Cases Opened:</b>		71
Program Fraud Labor Racketeering	65 6	
<b>Cases Referred for Prosecution</b> (each case is measured as a singular statistic and may include more than one person or business entity):		43
Program Fraud Labor Racketeering	39 4	
<b>Cases Referred for Administrative/Civil Action</b> (each case is measured as a singular statistic and may include more than one person or business entity):		34
Program Fraud Labor Racketeering	30 4	
<b>Persons Referred to the Department of Justice for Criminal Prosecution</b> (includes the number of individuals and business entities referred for prosecution):		38
Program Fraud Labor Racketeering	34 4	
<b>Persons Referred to State and Local Prosecuting Authorities for Criminal Prosecution</b> (includes the number of individuals and business entities referred for prosecution):		3
Program Fraud Labor Racketeering	3 0	
<b>Indictments and Criminal Informations That Resulted from Any Prior Referral to Prosecuting Authorities</b> (includes sealed and unsealed indictments):		131
Program Fraud Labor Racketeering	121 10	
<b>Indictments</b> (includes sealed and unsealed indictments):		131
Program Fraud Labor Racketeering	121 10	
<b>Convictions:</b>		191
Program Fraud Labor Racketeering	173 18	
<b>Statutory Debarments:</b>		1
Program Fraud Labor Racketeering	0 1	

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<b>Recoveries, Cost-Efficiencies, Restitutions, Fines/Penalties, Forfeitures, and Civil Monetary Actions:</b>		\$810,394,305
Program Fraud	\$527,885,918	
Labor Racketeering	\$282,508,387	

<b>Recoveries</b> (the dollar amount/value of an agency's action to recover or to reprogram funds or to make other adjustments in response to OIG investigations):	\$290,154,548
<b>Cost-Efficiencies</b> (the one-time or per annum dollar amount/value of management's commitment, in response to OIG investigations, to utilize the government's resources more efficiently):	\$440,176,217
<b>Restitutions/Forfeitures</b> (the dollar amount/value of restitutions and forfeitures resulting from OIG criminal investigations):	\$73,512,811
<b>Fines/Penalties</b> (the dollar amount/value of fines, assessments, seizures, investigative/court costs, and other penalties resulting from OIG criminal investigations):	\$0
<b>Civil Monetary Actions</b> (the dollar amount/value of forfeitures, settlements, damages, judgments, court costs, and other penalties resulting from OIG criminal investigations):	\$6,550,729
<b>Total</b>	<b>\$810,394,305</b>

# Peer Review Reporting

*The following meets the requirement of the Inspector General Act of 1978, as amended that the Inspectors General include their peer review results as an appendix to each semiannual report.*

## Peer Review of the Office of Personnel Management OIG Audit Organization

DOL OIG conducted a peer review of the Office of Personnel Management OIG audit organization's system of quality control for the period ending March 31, 2024. The peer review report issued on September 4, 2024, resulted in an opinion that the system of quality control was suitably designed and complied with to provide DOL OIG with reasonable assurance of performing and reporting conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects.

## Peer Review of DOL OIG Inspection and Evaluation Function

The Securities and Exchange Commission OIG conducted an external peer review to assess the system of quality control for DOL OIG's inspections and evaluations function for the 3-year period ending September 30, 2025. The peer review report, issued on March 18, 2026, concluded that DOL OIG's system of quality control was suitably designed and provided reasonable assurance of DOL OIG's reviews conforming with the Council of Inspectors General on Integrity and Efficiency's (CIGIE) Quality Standards for Inspection and Evaluation, published in December 2020. DOL OIG received an external peer review rating of "pass."

## Peer Review of DOL OIG Audit Function

SBA OIG conducted a peer review of the system of quality control for DOL OIG's audit function for the 3-year period ending September 30, 2024. The peer review report, which was issued on June 18, 2025, resulted in an opinion that the system of quality control for the DOL OIG audit organization was suitably designed and provided reasonable assurance of DOL OIG's audits conforming to professional standards. The peer review did not find any reportable findings, and DOL OIG received an external peer review rating of "pass."

## Peer Review of DOL OIG Investigative Function

The U.S. Department of Defense OIG conducted a peer review of internal safeguards and management procedures for DOL OIG's investigative operations for the period ending December 31, 2024. The peer review report, which was issued on July 18, 2025, resulted in an opinion that

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the system of internal safeguards and management procedures for the investigative function of DOL OIG in effect for the period ending December 31, 2024, complies with the quality standards established by CIGIE and the applicable Attorney General Guidelines.

### **Peer Review of DHS OIG Investigative Function**

DOL OIG conducted a peer review of internal safeguards and management procedures for DHS OIG's investigative operations for the period ending March 2025. The peer review report, which was issued on July 3, 2025, resulted in an opinion that the system of internal safeguards and management procedures for the investigative function of DHS OIG were in compliance with the quality standards established by CIGIE and the applicable Attorney General Guidelines.

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### OIG Hotline

*The OIG Hotline provides a communication link between the OIG and persons who want to report alleged violations of laws, rules, and regulations; mismanagement; waste of funds; abuse of authority; or danger to public health and safety. During the reporting period October 1, 2025, through March 31, 2026, a total of 1,614 complaints were opened in the OIG Hotline’s complaint management system.*

Complaints Received (complaints opened by method reported):	Totals
Telephone	1
E-mail/Internet	1,485
Mail	126
Fax	1
Walk-In	1
<b>Total</b>	<b>1,614</b>

Contacts Received (complaints opened by source):	Totals
Complaints from Individuals or Non-Governmental Organizations	1,040
Complaints/Inquiries from Congress	1
Referrals from GAO	6
Complaints from Other DOL Agencies	3
Complaints from Other (non-DOL) Government Agencies	564
<b>Total</b>	<b>1,614</b>

Disposition of Complaints Reviewed and Processed:	Totals
Referred to OIG Components for Further Review and/or Action	84
Referred to DOL Program Management for Further Review and/or Action	267
Referred to Non-DOL Agencies/Organizations	54
No Referral Required/Informational Contact	767
<b>Total</b>	<b>1,172</b>

## Acronyms and Abbreviations

<b>CARES Act</b> Coronavirus Aid, Relief, and Economic Security Act	<b>H-2B</b> visa program for non-agricultural workers	<b>SBE</b> significant barriers to employment
<b>CIGIE</b> Council of the Inspectors General on Integrity and Efficiency	<b>HSI</b> Homeland Security Investigations	<b>SNAP</b> Supplemental Nutrition Assistance Program
<b>Department or DOL</b> U.S. Department of Labor	<b>IRS</b> Internal Revenue Service	<b>SSA</b> Social Security Administration
<b>DES</b> Department of Economic Security	<b>JVSG</b> Jobs for Veterans State Grants	<b>SSN</b> Social Security number
<b>DHS</b> U.S. Department of Homeland Security	<b>KPMG</b> KPMG LLP	<b>SWA</b> State Workforce Agency
<b>DOJ</b> U.S. Department of Justice	<b>MEUC</b> Mixed Earners Unemployment Compensation	<b>Treasury</b> U.S. Department of the Treasury
<b>DOT</b> U.S. Department of Transportation	<b>OED</b> Oregon Employment Department	<b>UI</b> unemployment insurance
<b>DVOP</b> Disabled Veterans' Outreach Program	<b>OIG</b> Office of Inspector General	<b>UIA</b> Unemployment Insurance Agency
<b>EDD</b> Employment Development Department	<b>OMB</b> Office of Management and Budget	<b>UK</b> United Kingdom
<b>EIDL</b> Economic Injury Disaster Loan	<b>ONDCP</b> Office of National Drug Control Policy	<b>USDA</b> U.S. Department of Agriculture
<b>ERISA</b> Employee Retirement Income Security Act of 1974	<b>OWCP</b> Office of Workers' Compensation Programs	<b>USPIS</b> United States Postal Inspection Service
<b>ETA</b> Employment and Training Administration	<b>PADLI</b> Pennsylvania Department of Labor and Industry	<b>USPS</b> United States Postal Service
<b>FBI</b> Federal Bureau of Investigation	<b>PII</b> personally identifiable information	<b>USSS</b> United States Secret Service
<b>FECA</b> Federal Employees' Compensation Act	<b>PUA</b> Pandemic Unemployment Assistance	<b>VA</b> U.S. Department of Veterans Affairs
<b>FLC</b> Foreign Labor Certification	<b>PPP</b> Paycheck Protection Program	<b>VA DOC</b> Virginia Department of Corrections
<b>FY</b> Fiscal Year/fiscal year	<b>PY</b> Program Year	<b>VEC</b> Virginia Employment Commission
<b>H-1B</b> visa program for workers in specialty occupations	<b>QCR</b> Quality Control Reviews	<b>WHD</b> Wage and Hour Division
<b>H-2A</b> visa program for agricultural workers	<b>RSDI</b> Retirement Survivors Disability Insurance	<b>WIOA</b> Workforce Innovation and Opportunity Act
	<b>SBA</b> Small Business Administration	



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Washington, DC 20210

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Office of Inspector General  
United States Department of Labor

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# Report Fraud, Waste, and Abuse

Contact the Hotline  
202.693.6999 or 800.347.3756  
Fax: 202.693.7020  
[www.oig.dol.gov](http://www.oig.dol.gov)



The OIG Hotline is open to the public and to federal employees 24 hours a day, 7 days a week, to receive allegations of fraud, waste, and abuse concerning Department of Labor programs and operations.

OIG Hotline  
U.S. Department of Labor  
Office of Inspector General  
200 Constitution Avenue, NW  
Room S-5506  
Washington, DC 20210