

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 September 30, 2025. Our audits and investigations continue to assess the effectiveness, efficiency, and integrity of DOL's programs and operations, including those performed by its contractors and grant recipients. The OIG continues to investigate the influence of labor racketeering and organized crime in internal union affairs, employee benefit plans, and labor-management relations. In addition, the OIG continues to partner with other law-enforcement agencies on labor trafficking matters.

OIG Accomplishments

During this reporting period, the OIG issued 15 audit reports with 25 recommendations. Among our many significant findings, we reported the following:

- **Pandemic-Related UI Oversight:** The Employment and Training Administration's (ETA) guidance and oversight did not detect that Michigan and Massachusetts improperly waived the recovery of overpayments that did not meet federal requirements, including those resulting from fraud. As a result, the federal government incurred a financial loss estimated to exceed \$240 million.
- **States' Efforts to Identify Unemployment Insurance (UI) Fraud Using Suspicious Emails:** ETA, among other things, did not monitor nor require states to report the results of research or investigations of potentially fraudulent UI claims, which would have assisted ETA in identifying high-risk areas for UI fraud.
- **Payment Integrity Information Act (PIIA):** DOL met five of the six requirements for compliance with PIIA for the Federal-State UI program, five of the six requirements for the Federal Employees' Compensation Act program, and none of the six requirements for the pandemic programs: Federal Pandemic Unemployment Compensation, Pandemic Emergency Unemployment Compensation, and Pandemic Unemployment Assistance.
- **Grants Oversight:** ETA did not ensure grant recipients and subrecipients utilized grant funds for the intended purposes during the COVID-19 pandemic, resulting, among other



things, in grant recipients and their subrecipients inaccurately reporting enrollment levels and not serving only eligible participants.

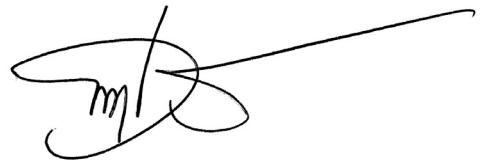
- **Child Labor Law Challenges:** The Wage and Hour Division encountered several challenges in enforcing child labor laws, including resource constraints, communication barriers, and confusion caused by differences in state and federal child labor.

Our investigative work also produced impressive results, with a total of 169 investigations completed, 300 indictments, 196 convictions, and more than \$671 million in monetary accomplishments. Notable cases include:

- A bank contractor was sentenced to 18 months in prison and ordered to pay more than \$8.5 million for her role in a UI program fraud scheme. The contractor used her access to the bank's internal systems to credit pre-paid debit cards with fraudulently obtained UI benefits
- A Michigan man pled guilty to several charges for his role in an identity theft and UI fraud scheme in which he stole more than \$4 million. As a result of the scheme, hundreds of debit cards were mailed to addresses controlled by his co-conspirators.
- A Kentucky man pled guilty to conspiring to cover up a coal mine fire in Illinois. Rather than implementing the approved evacuation and firefighting plan, he and his co-conspirators agreed that they would not evacuate miners or notify the Mine Safety and Health Administration of the fire.
- Three Mexican nationals were ordered to pay restitution of \$574,000, jointly and severally, for their roles in a smuggling and labor trafficking scheme. Two of the defendants were sentenced to 51 months and 40 months in prison, respectively. To date, the investigation has identified 18 trafficked undocumented workers.
- A former union official and two business executives pled guilty for their roles in schemes to provide and receive prohibited labor payments and/or kickbacks. The former union official served as both an officer and employee of a labor union representing protective security officers at federal worksites.
- The OIG facilitated the recovery of \$520 million in suspected fraudulent pandemic-era unemployment insurance payments made during the COVID-19 pandemic.

These are just a few examples of the exceptional work done by our dedicated OIG staff. I would like to express my gratitude to them for their significant achievements during this reporting period.

I look forward to working constructively with the Department and the Congress on our shared goals of identifying improvements to DOL programs and operations, and protecting the interests and benefits of workers and retirees.



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.

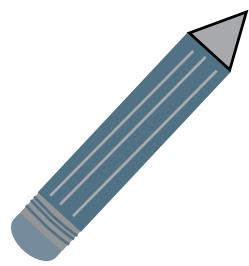
Goal 3: Promote responsible stewardship of OIG financial and non-financial resources.

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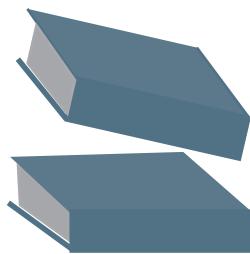
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Audit Statistics

15
Audits and
Other Reports Issued



25
Recommendations for
Corrective Action



\$269,192,840
Questioned Costs

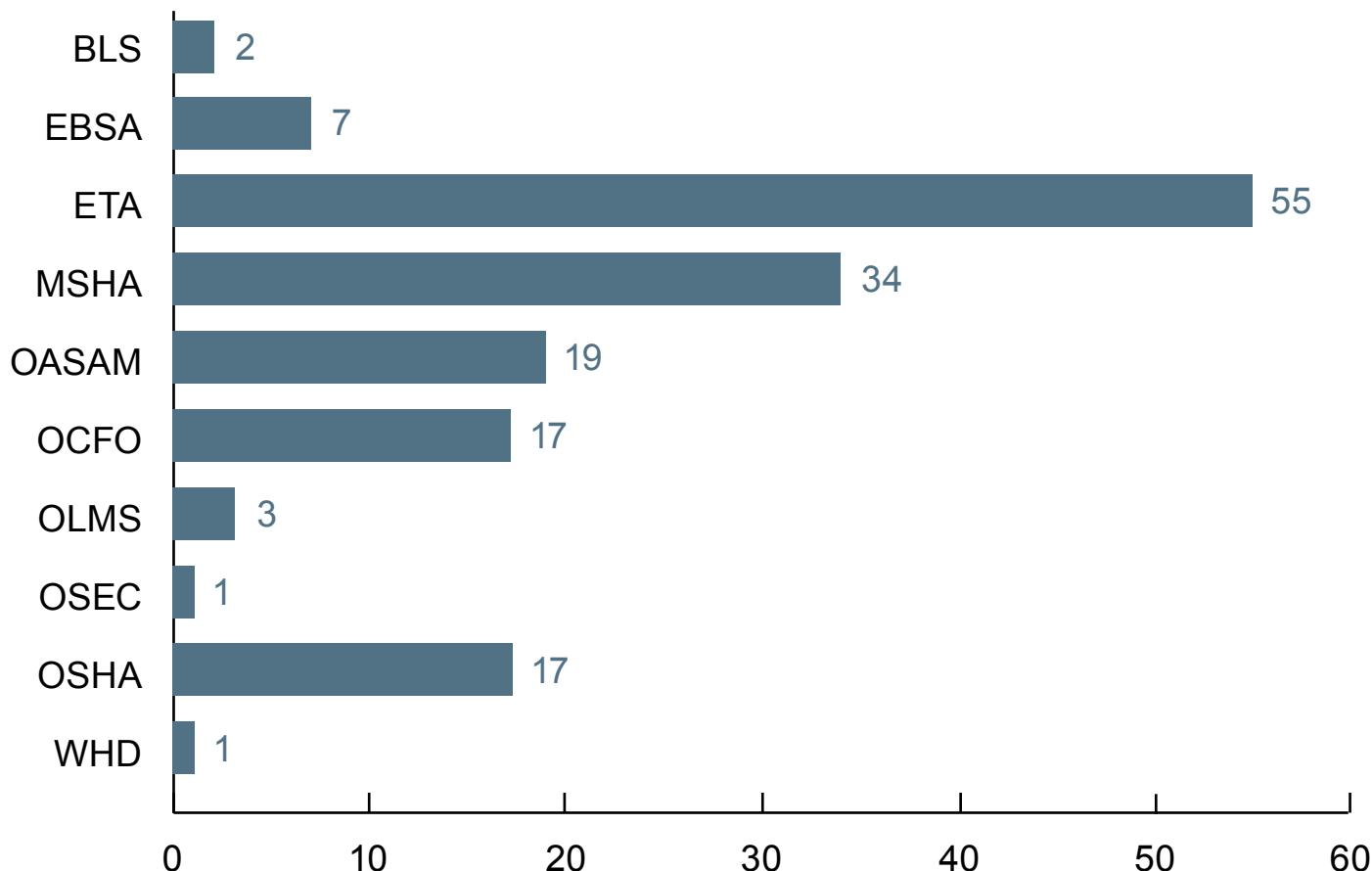


\$20,772,490
Funds Put to
Better Use



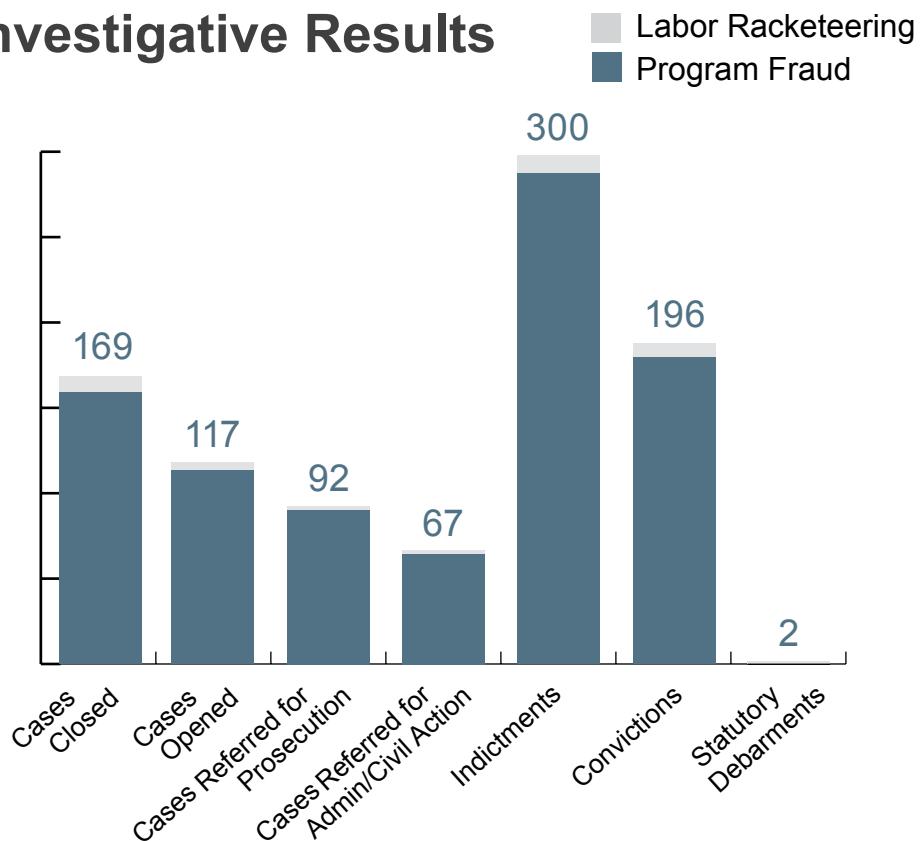
OIG Unimplemented Recommendations

OIG recommendations not fully implemented as of September 30, 2025



Investigative Statistics

Investigative Results

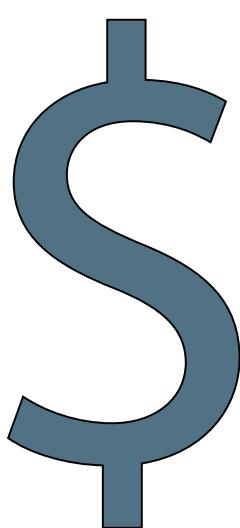


117/169



117 investigative cases opened and 169 cases closed

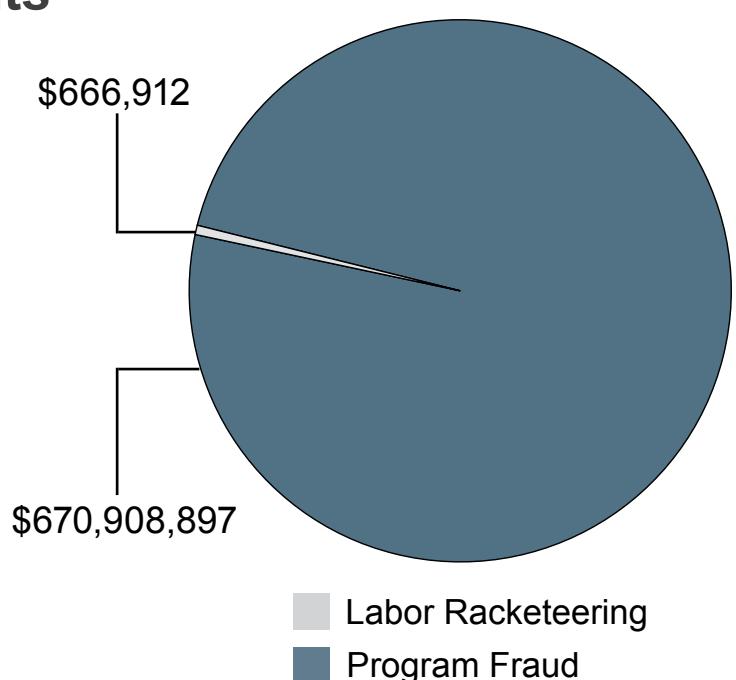
Monetary Accomplishments



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

\$671,575,809

Total



Labor Racketeering
Program Fraud

Top Management and Performance Challenges

As required by the Reports Consolidation Act of 2000, the Office of Inspector General (OIG) identifies the most serious management and performance challenges facing the Department of Labor (DOL or Department) in its annual Top Management and Performance Challenges (TMPC) report. In this report, the OIG summarizes the challenges, significant DOL progress to date, and what remains to be done. The TMPC can be found in its entirety at <https://www.oig.dol.gov/topchallenges.htm>.



Reducing Unemployment Insurance
Improper Payments



Protecting Retirement, Health, and
Other Benefit Plans for Workers,
Retirees, and Their Families



Protecting the Safety and Health
of Workers



Providing a Safe, Secure, and
Healthy Learning Environment at
Job Corps Centers



Enhancing Grant Management to
Maximize Workforce Outcomes



Managing Medical Benefits in the
Office of Workers' Compensation
Programs



Maintaining the Integrity of Foreign
Labor Certification Programs



Managing and Securing Data and
Information Systems

Worker and Retiree Benefit Programs



Unemployment Insurance Programs

Office of Workers' Compensation Programs

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.

COVID-19: RECOVERY OF MILLIONS IN PANDEMIC-RELATED UI OVERPAYMENTS IMPROPERLY WAIVED, INCLUDING FRAUD

Why OIG Conducted the Audit

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act with the intent of providing expanded UI benefits to workers who were unable to work as a direct result of the COVID-19 pandemic. The Act, as amended, granted state workforce agencies (SWA or state) authority to waive the recovery of certain nonfraudulent UI overpayments. As of June 30, 2023, 47 states reported waiving the recovery of \$10.9 billion (22 percent) of \$49.6 billion in established nonfraudulent UI overpayments.

The Employment and Training Administration (ETA) was responsible for oversight of CARES Act UI programs. Based on concerns that states may have unintentionally waived the recovery of ineligible overpayments, including fraud, we performed an audit to answer the following question:

Did ETA's guidance and oversight ensure states only waived the recovery of eligible overpayments?

To answer this question, we performed in-depth testing on two of the states that reported the highest dollar amount of waived overpayment recoveries. We surveyed the other 51 SWAs.

What OIG Found

We found ETA's guidance and oversight did not ensure states only waived the recovery of eligible overpayments for the three key pandemic-related UI programs from March 27, 2020, to

Worker and Retiree Benefit Programs

June 30, 2023. First, ETA did not detect that Michigan and Massachusetts improperly waived the recovery of overpayments that did not meet federal requirements, including those resulting from fraud. As a result, the federal government and taxpayers incurred a financial loss estimated to exceed \$240 million. We based this on the following:

To waive recovery of a non-fraud overpayment, the CARES Act, and its amendments required states to determine: (1) the overpayment was not the claimant's fault and (2) repayment would be contrary to equity and good conscience. However, Michigan and Massachusetts did not always comply with these requirements. Michigan waived recovery of an estimated 71,656 overpayments that were the claimants' fault and 17,833 that were confirmed to be fraudulent. Massachusetts waived recovery of 250 overpayments that did not meet federal waiver requirements, including 14 that were likely fraudulent. Data availability issues prevented the projection of Massachusetts' results. The deficiencies noted occurred because ETA's oversight of waivers primarily consisted of monitoring reviews that were not sufficient to detect the risk of improper decisions by states, which involved the creation and application of state laws to determine claimants' waiver eligibility.

Second, the \$10.9 billion in UI overpayment recoveries that 47 SWAs reported to ETA as waived was likely significantly understated. For instance, Massachusetts was unable to report dollar amounts waived for one pandemic-related program due to system field limitations. Other states reported challenges were due to outdated information technology systems, limited resources, and increased workloads. Without accurate reporting on recoveries waived for pandemic-related UI program overpayments—as required by ETA—the Department and the public are unaware of the total amount of this federally funded debt that was forgiven by states. ETA also needs this information to make the most informed policy decisions about guidance for future emergencies.

What OIG Recommended

We made five recommendations to ETA including the need for more frequent reviews, working with Michigan on the confirmed fraud cases, remedying at least \$240 million in questioned costs, and working with states to obtain missing waiver information. ETA agreed with our recommendations in a response to the Draft Report provided in November 2025. Once cleared, we will post ETA's response and our analysis to our website.

Read the Full Report

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2025/19-25-009-03-315.pdf>, Report No. 19-25-009-03-315 (September 25, 2025).

COVID-19: ETA NEEDS TO IMPROVE ITS OVERSIGHT OF STATES' EFFORTS TO IDENTIFY UI FRAUD USING SUSPICIOUS EMAIL ACCOUNTS

Why OIG Conducted the Audit

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

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

To what extent have ETA and SWAs addressed potentially fraudulent CARES Act UI claims filed using suspicious email accounts?

What OIG Found

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

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

These deficiencies occurred because ETA considered its oversight responsibilities to be limited. Specifically, ETA: (1) did not consider monitoring the results of states' research and investigations as part of its responsibilities, (2) measured IDH effectiveness by the number of claims submitted to and

Worker and Retiree Benefit Programs

flagged by the IDH rather than by the outcomes of states' fraud investigations, and (3) did not detect states' information technology systems or staffing were insufficient to establish or report fraudulent overpayments.

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

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

What OIG Recommended

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

Read the Full Report

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2025/19-25-007-03-315.pdf>, Report No. 19-25-007-03-315 (September 16, 2025).

ETA DID NOT ENSURE ARPA GRANTS DEMONSTRATED IMPROVEMENTS IN ACCESS TO UNEMPLOYMENT BENEFITS

Why OIG Conducted the Audit

The American Rescue Plan Act of 2021 (ARPA) provided DOL \$1 billion in funding to prevent and detect fraud, promote equitable access, and ensure timely payment of UI benefits. Subsequently, ETA awarded \$219 million in first-of-their-kind grants to 45 states and the District of Columbia (states) to promote equitable access to UI programs. The Department terminated all active ARPA grants to states on May 22, 2025. However, because our audit focused on grant implementation and

Worker and Retiree Benefit Programs

performance measurement, our results are not isolated to these grants and can help inform ETA's grant governance practices agencywide.

Based on prior OIG audits, we were concerned about ETA's ability to deploy this grant funding. Therefore, we performed an audit to determine:

To what extent did ETA administer these grants in accordance with ARPA and DOL's objectives for UI access, and are grant recipients on target to achieve performance outcomes?

What OIG Found

While ETA designed these grants in accordance with ARPA and DOL goals and objectives, we found ETA did not ensure the grants demonstrated improvements in access to UI benefits nor were they awarded in a way that would maximize impact of the funding. This was inconsistent with ETA guidance and federal law on government performance and results. Specifically, ETA awarded more than \$20.7 million in ARPA funding for 16 projects that failed to provide evidence of the existence of a UI access issue in their state's grant application. We identified those monies as funds for better use. This occurred because ETA did not establish effective criteria for reviewing grant applications. Consequently, a risk exists that completed and ongoing state projects may demonstrate limited to no impact on improving access to UI benefits.

In addition, ETA did not ensure states reported complete and accurate outcome metrics and status updates in quarterly progress reports. Of 10 sampled states with closed-out grants, 3 did not achieve all expected outcomes; we are claiming a total of more than \$2.8 million as questioned costs and recommend recovery. Further, based on the latest quarterly progress reports reviewed, two sampled states that had active grants (still within their period of performance) were either not on target to achieve all project goals or their status was unknown. These problems occurred because ETA did not effectively monitor grant reporting and performance. Incomplete reporting of outcome metrics and inaccurate status updates can hinder ETA's ability to perform real-time monitoring, provide timely interventions, and demonstrate the grants achieved their goals.

Finally, ETA's grant rollout was inefficient and the design was duplicative of another program. Specifically, ETA announced these grants and subsequently announced another ARPA grant opportunity—Tiger Team grants. Both programs had similar goals and required separate assessments of the same UI environment to inform grant activities. However, ETA did not coordinate the two opportunities in a way that would maximize the impact of the grant funding. This prevented synergies between the two programs where Tiger Team recommendations could have informed grant projects, mitigated duplication of efforts, and increased project effectiveness.

Worker and Retiree Benefit Programs

What OIG Recommended

We made four recommendations to ETA to improve grant governance in the areas of awarding, monitoring, and planning as well as funds recovery. Specifically, we recommended ETA: establish a policy requiring evaluation criteria to ensure grant applications include appropriate evidence; develop additional guidance and staff training to improve monitoring; review and recover \$2.8 million in questioned costs; and develop guidance for the planning of new discretionary grant programs. ETA agreed with and provided corrective action information in response to all four recommendations.

Read the Full Report

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2025/19-25-006-03-315.pdf>, Report No. 19-25-006-03-315 (August 28, 2025).

COVID-19: ETA NEEDS TO IMPROVE ITS OVERSIGHT OF STATES' EFFORTS TO IDENTIFY UI FRAUD USING DECEASED PERSONS' SOCIAL SECURITY NUMBERS

Why OIG Conducted the Audit

As of September 2022, the OIG had reported a cumulative \$45.6 billion paid in four high-risk areas of UI fraud the OIG had identified; claimants using deceased persons' Social Security numbers (SSN)—\$139.5 million—was the second largest area. The OIG shared its data and methodology for identifying those claimants with ETA. ETA is responsible for providing states with UI program direction and oversight; the states are responsible for ensuring UI payments go only to eligible claimants and for making determinations of fraud.

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

To what extent have ETA and SWAs addressed potentially fraudulent CARES Act UI claims filed using the SSNs of deceased persons?

Worker and Retiree Benefit Programs

What OIG Found

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

- monitor nor require states to report the results of research or investigations of potentially fraudulent UI claims, which would have assisted ETA in identifying high-risk areas for UI fraud;
- ensure the NASWA's IDH effectively provided states with useful information to assist in identifying UI fraud; or
- identify systemic weaknesses that resulted in states reporting zero fraudulent overpayments when UI fraud risk was at its height during the pandemic.

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

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

The OIG selected 185 claimants that filed potentially fraudulent UI claims across 10 SWAs for Key to test. Key determined \$586,782 in UI benefits were paid, and the states confirmed \$302,686 (52 percent) was fraudulent.

What OIG Recommended

Key did not make any new recommendations in this report. To address the issues identified in this report and improve ETA's oversight of states' efforts to identify fraudulent UI claims, Regis & Associates, PC, an OIG contractor, made two recommendations (numbers 1 and 3) to ETA in the first report of this series, with which ETA generally agreed. That report, including ETA's responses to the recommendations, is available at: <https://www.oig.dol.gov/public/reports/oa/2025/19-25-004-03-315.pdf>.

Worker and Retiree Benefit Programs

Read the Full Report

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2025/19-25-005-03-315.pdf>, Report No. 19-25-005-03-315 (August 15, 2025).

COVID-19: ETA NEEDS TO IMPROVE ITS OVERSIGHT OF STATES' EFFORTS TO IDENTIFY MULTISTATE UI FRAUD

Why OIG Conducted the Audit

As of September 2022, the OIG had reported a cumulative \$45.6 billion paid in four high-risk areas of UI fraud the OIG had identified; multistate claimants— \$29 billion—was the largest area. The OIG shared its data and methodology for identifying those claimants with ETA. ETA is responsible for providing states with UI program direction and oversight; the states are responsible for ensuring UI payments go only to eligible claimants and for making determinations of fraud.

Based on the OIG's concerns regarding UI benefits paid in each of the high-risk areas, the OIG began a series of four audits; this is the first in the series. Specifically, for multistate claimants, we contracted with Regis to answer the following question:

To what extent have ETA and SWAs addressed potentially fraudulent CARES Act UI claims filed by multistate claimants?

What OIG Found

Regis found 7 of the 10 SWAs selected for testing confirmed some multistate claimants filed fraudulent UI claims. However, ETA took limited action to ensure states properly addressed the potentially fraudulent UI claims filed by multistate claimants. While ETA transmitted claimant data associated with potentially fraudulent UI claims to the 53 SWAs and Guam, including instructions and requirements on investigations and due process, ETA did not perform the following oversight actions:

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

Worker and Retiree Benefit Programs

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

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

The OIG selected 181 multistate claimants that filed potentially fraudulent UI claims across 10 SWAs for Regis to test. Regis determined \$1.6 million in UI benefits were paid, and the states confirmed \$404,288 was fraudulent. The fraudulent overpayments confirmed by the states represented 25 percent of the UI benefits paid to the claimants tested.

What OIG Recommended

Regis made three recommendations to ETA to improve its oversight of states' efforts to identify fraudulent UI claims filed by multistate claimants. ETA generally agreed with the recommendations.

Read the Full Report

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2025/19-25-004-03-315.pdf>, Report No. 19-25-004-03-315 (August 4, 2025).

ETA AND STATE WORKFORCE AGENCIES NEED TO DO MORE TO RECOVER PANDEMIC UI PROGRAM IMPROPER PAYMENTS

Why OIG Conducted the Audit

The economic emergency resulting from the COVID-19 pandemic led to new UI programs created under the CARES Act. The CARES Act and subsequent Continued Assistance for Unemployed Workers Act of 2020 (Continued Assistance Act) and ARPA provided payments under three key pandemic-related UI programs that were implemented by SWAs. ETA provided guidance and monitored SWAs' administration of the programs.

Worker and Retiree Benefit Programs

Based on audits of previous emergency UI program implementation, we were concerned about SWAs' ability to effectively recover pandemic UI program improper payments. We contracted with the independent, certified public accounting firm Regis to conduct an audit to answer the following question:

Did ETA ensure that SWAs had adequate controls to recover UI improper payments under the CARES Act, Continued Assistance Act, and ARPA?

Regis' audit procedures included assessing ETA's oversight, performing in-depth testing for 10 SWAs, and surveying 43 other SWAs regarding activity under the CARES Act, Continued Assistance Act, and ARPA.

What OIG Found

Regis concluded ETA and SWAs need to do more to recover improper payments from federally-funded temporary pandemic UI programs. For the period from April 1, 2020, through September 30, 2022, the 10 audited SWAs reported a total of \$10.4 billion in overpayments for the programs reviewed, \$676.3 million of which was attributed to fraud. Regis found the overpayment recovery rates for the selected SWAs were far below ETA's core performance measure for regular UI paid from state trust funds.

Further, Regis determined the 10 audited SWAs waived approximately \$601.6 million more in overpayments than they recovered. This highlights the need for SWAs to do more to recover overpayments, as well as prevent improper payments caused by SWAs' lack of adequate controls.

The 10 audited SWAs—along with the other SWAs across the U.S.—established significantly less overpayments for recovery than what was estimated by Regis using the ETA published UI overpayment rates. Regis estimated that, for the audited SWAs, approximately \$23.5 billion of potential overpayments were not established; thus, they were not pursued for collection. Additionally, Regis identified SWAs did not consistently use the recovery methods mandated by law, nor the methods strongly recommended by ETA. Regis also noted SWAs' ability to recover CARES Act UI program overpayments may be limited by states' finality laws. ETA deferred to states to apply their finality laws to limit when a state may reconsider a prior decision or determination made on a CARES Act funded UI claim. We are concerned this change in policy may hinder the recovery of overpayments and detection of fraud. Improper payment recovery activities are crucial for maintaining the integrity of the unemployment benefits system and public trust in these programs.

Worker and Retiree Benefit Programs

What OIG Recommended

Regis made four recommendations to ETA to improve improper payments recovery. These recommendations included: (1) developing lessons learned and providing SWAs with resources to address the root causes of CARES Act-related overpayments, (2) requiring SWAs to maximize all recovery methods, and (3) continuing to work with Congress to lift restrictions and develop incentives to recover federally-funded UI overpayments. ETA agreed with all of the OIG's recommendations to improve improper payment recoveries.

Read the Full Report

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2025/19-25-003-03-315.pdf>, Report No. 19-25-003-03-315 (April 1, 2025).

Bank Contractor Sentenced in Unemployment Insurance Fraud Conspiracy

On April 3, 2025, Jaysha Victorian pled guilty to one count of conspiracy to commit wire fraud for her role in the UI fraud scheme. On July 22, 2025, Victorian was sentenced to 18 months in prison and ordered to pay more than \$8.5 million in restitution for her role in a fraudulent UI scheme that defrauded the California Employment Development Department (CA EDD) and a financial institution.

From late 2020 to early 2021, Victorian, who was employed as a contractor for a national financial institution, handled a variety of administrative banking tasks, including those involving pre-paid debit cards for California's UI system. She used her access to the bank's internal systems to credit pre-paid debit cards with fraudulently obtained UI benefits from the CA EDD. The pre-paid cards were distributed to other co-conspirators, who later withdrew the stolen funds at ATMs and other locations.

In total, Victorian credited at least 187 cards with nearly \$8.6 million in fraudulent proceeds. Of that amount, more than \$7.6 million was either withdrawn or spent before the cards could be frozen by the financial institution. She admitted to using some of the fraudulently obtained funds and receiving approximately \$300,000 for her role in the scheme.

This is a joint investigation with the Federal Bureau of Investigation (FBI) and the U.S. Department of Homeland Security-Office of Inspector General (DHS-OIG). *United States v. Jaysha Victorian* (S.D. Texas)

Michigan Man Pled Guilty for Role in Unemployment Insurance Fraud Scheme

On April 23, 2025, Terrance Calhoun, Jr. pled guilty to aggravated identity theft, wire fraud, conspiracy to commit wire fraud, and possession of 15 or more unauthorized access devices for his role in a \$4 million identity theft and UI fraud scheme.

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According to his plea agreement, Calhoun Jr. and co-conspirators used stolen personal identifiable information (PII) to file hundreds of fraudulent UI claims with the Michigan, Arizona, and Maryland SWAs in the names of identity theft victims without the victims' knowledge or consent. As a result of the scheme, hundreds of debit cards, which were loaded with more than \$4 million in UI benefits, were mailed to addresses controlled by the conspirators. To access the stolen funds, the defendants made \$1.6 million in purchases and cash withdrawals using UI debit cards.

This is a joint investigation with the FBI, the Internal Revenue Service-Criminal Investigation (IRS-CI), Immigration and Customs Enforcement (ICE), the United States Secret Service, the United States Postal Service (USPS)-OIG, and the Michigan Unemployment Insurance Agency (MUIA). *United States v. Terrance Calhoun Jr. et al.* (E.D. Michigan)

Maryland Co-Conspirators Convicted and Sentenced for \$3.5 Million Unemployment Insurance Fraud Conspiracy, Firearms, and Drug Trafficking Crimes

On July 21, 2025, Zakria Hussain pled guilty to conspiracy to commit wire fraud and aggravated identity theft, for his role in a \$3.5 million pandemic-related UI fraud scheme. On August 7, 2025, Lawrence Harris pled guilty to conspiracy to commit wire fraud and aggravated identity theft for his role in the scheme. He also pled guilty to possession of a machine gun, possession with intent to distribute a controlled substance, and possession of a firearm in furtherance of a drug trafficking crime. On September 8, 2025, Ahmed Hussain was sentenced to 102 months in prison for his role in the scheme as well as for firearm and drug offenses. He was also ordered to pay more than \$557,000 in restitution for the UI fraud.

Between approximately January 2021 and September 2023, the Hussains and Harris conspired with other co-defendants, including former contractors who provided services directly to the Maryland Department of Labor (MD DOL). The contractors were issued laptop computers that allowed remote access to MD DOL systems, such as the UI claims system. The Hussains, Harris, and their 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 email addresses, account passwords, and payment methods. Using the PII of identity theft victims, they also made numerous false statements and misrepresentations on UI applications. This enabled them to obtain the highest amount of available UI benefits that would be paid via debit cards that they controlled. The 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 out the window from his bedroom. Law enforcement then searched the residence and discovered three additional firearms, including one that functioned as a machine gun. Law enforcement also recovered approximately 37 pounds of marijuana that Harris intended to

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distribute. On the same date, law enforcement also executed a residential search warrant at Ahmed Hussain's home where they found that he possessed a stolen handgun, as well as 60 pounds of marijuana, drug distribution baggies, and 229 rounds of ammunition. Ahmed Hussain had been previously convicted of an offense punishable by more than one year imprisonment, so he was prohibited from possessing a firearm or ammunition.

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

Maryland Defendants Convicted and Sentenced for Roles in \$3.2 Million Unemployment Insurance Fraud Scheme

On April 24, 2025, Tiia Woods was sentenced to 74 months in prison and ordered to pay more than \$3.2 million in restitution for her role in leading a pandemic-related, UI fraud scheme executed to defraud the MD DOL. Additionally, on August 11, 2025, Tyshawna Davis pled guilty to conspiracy to commit wire fraud and aggravated identity theft for her role in the UI fraud scheme.

From approximately May 2020 to May 2021, Woods, Davis and their co-conspirators submitted fraudulent UI applications to MD DOL that contained addresses, employment status, work histories, occupations, and benefit eligibility of unsuspecting identity theft victims. Using electronic communications, the co-conspirators fraudulently applied for UI benefits, modified UI claims within the MD DOL online system, and checked the status of claims. Once MD DOL disbursed UI benefits via pre-paid debit cards, the defendants used various financial transactions, including ATM withdrawals and point-of-sale transactions, to obtain the stolen funds. Woods and Davis also provided instructions to their co-conspirators via text message in furtherance of the conspiracy, which included directions on how to obtain UI benefits, expedite a UI claim, and how much of the fraudulent proceeds that each would keep for themselves.

Woods, Davis and their co-conspirators submitted at least 150 fraudulent UI claim applications, resulting in a loss of more than \$3.2 million.

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

California Woman Sentenced to 4 Years in Prison for Unemployment Insurance Fraud

On August 7, 2025, Tabitha Markle was sentenced to 4 years and 2 months in prison and ordered to pay more than \$2.59 million in restitution for her involvement in a scheme to defraud the UI benefit program during the COVID-19 pandemic.

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Between April 2020 and January 2021, Markle defrauded the CA EDD and the U.S. government of UI benefits. Markle collected PII, including names, dates of birth, SSNs and other information. She then used that information to submit more than 150 fraudulent applications for UI benefits to CA EDD from her residence. The applications represented that the beneficiaries were self-employed when, in fact, they were not. Markle created fictional jobs for claimants, such as manicurist, construction painter, hair stylist/barber, personal attendant, music technician, and landscaper. Markle also filed UI applications for many inmates at state prisons and county jails whom she knew were unable to work due to their incarcerated status, and thus were ineligible for benefits.

In furtherance of the scheme, Markle and her associates caused UI debit cards to be mailed to addresses she listed in the fraudulent applications. She then used the cards, which were issued in the names of the supposed beneficiaries, to withdraw cash from ATMs throughout California. Markle and her associates often appeared in ATM surveillance photos taking out large amounts of cash from the cards. She and her criminal associates fraudulently obtained more than \$2.59 million.

This was a joint investigation with the Federal Deposit Insurance Corporation-OIG and the CA EDD. *United States v. Tabitha Markle* (N.D. California)

Brooklyn Man Sentenced to 60 Months in Prison for \$1.75 Million COVID-19 Pandemic Unemployment Insurance Fraud Scheme

On May 21, 2025, Bryan Abraham was sentenced to 60 months in prison for aggravated identity theft and conspiracy to commit access device fraud. He was also ordered to forfeit more than \$575,000 and to pay restitution in the same amount.

From June 2020 to April 2021, Abraham and his co-conspirators defrauded the New York State Department of Labor of more than \$1.75 million in UI benefits. He and his co-conspirators used encrypted applications to purchase stolen PII. They then fraudulently applied for UI benefits in the names of approximately 250 identity theft victims without their knowledge or consent. Abraham was personally responsible for the submission of at least 78 fraudulent UI claims. He and his co-conspirators flaunted their ill-gotten gains on social media with images of stacks of cash, designer clothing, jewelry, and luxury cars. They also discussed the logistics of the scheme using encrypted applications, including where to purchase stolen PII and how to withdraw stolen funds.

This is a joint investigation with the United States Postal Inspection Service (USPIS) and the New York Police Department. *United States v. Bryan Abraham et al.* (E.D. New York)

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Florida Man Sentenced to 54 Months in Prison for Role in Multi-State Unemployment Insurance Fraud Conspiracy

On May 22, 2025, Ben Espinal was sentenced to 54 months in prison and ordered to pay restitution of more than \$1.2 million for his role in a scheme to defraud the CA EDD of COVID-19 pandemic-related UI benefits.

From August 2020 to August 2022, Espinal and his co-conspirators submitted fraudulent UI claims to CA EDD by using compromised PII. The defendants then facilitated the submission of UI claims to CA EDD via an identity verification company by creating counterfeit driver licenses with victims' PII and photographs of conspirators. To access the stolen funds, they used multiple rental vehicles to make cash withdrawals at ATMs throughout Florida and Maryland. The scheme resulted in the theft of more than \$1.2 million in UI benefits from the CA EDD.

This is 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. Ben Felix Espinal* (S.D. Florida)

California Couple Sentenced to More Than 12 Years in Prison for Unemployment Insurance Fraud

On August 7, 2025, Deshawn Campbell and Rochelle Pasley were sentenced to 87 months and 65 months, respectively, and ordered to pay joint and several restitution of more than \$1.15 million for their involvement in an UI fraud scheme aimed at the state of California.

Between June 2020 and December 2020, Campbell and Pasley filed fraudulent UI claims with the CA EDD seeking Pandemic Unemployment Assistance (PUA) benefits under the CARES Act. During the conspiracy, the defendants utilized the PII of other individuals and used the PII to submit dozens of fraudulent claims. The claims falsely represented, among other things, that the claimants had recently lost employment or were unable to find employment due to the COVID-19 pandemic. These claims were fraudulent as the claimants were not California residents, had not lost their jobs due to the pandemic, and were otherwise ineligible for UI benefits.

In furtherance of the scheme, both Campbell and Pasley used mailing addresses that were under their control or under the control of their family and friends. CA EDD approved more than 50 of the fraudulent claims and authorized a financial institution to mail out CA EDD debit cards containing benefits. Both Campbell and Pasley then obtained these debit cards to withdraw the funds at ATMs throughout California and to make direct purchases—all for their personal benefit. The scheme resulted in CA EDD paying out more than \$1 million.

This is a joint investigation with the USPIS and the CA EDD. *United States v. Deshawn Campbell et al.* (E.D. California)

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Multiple Defendants Sentenced for Roles in \$1.1 Million Unemployment Insurance Fraud Scheme

On April 24, 2025, Evelyn Taylor, Laron Taylor, Latrice Taylor, and Raschell Taylor were sentenced to 18 months, 54 months, 27 months, and 24 months in prison, respectively, and ordered to pay more than \$567,000 in restitution. Also, on June 5, 2025, Bianka Logie was sentenced to 30 months in prison and ordered to pay over \$1.1 million in restitution. The defendants participated in a scheme in which they created nonexistent businesses and subsequently claimed more than \$1.1 million in UI benefits for purported employees of the fake businesses.

From February 2013 to July 2016, the defendants, along with their co-conspirators, defrauded the CA EDD. They registered fake companies with CA EDD and submitted fraudulent UI claims in their own names and the names of others, including identities that were stolen. To access the funds, the defendants used the CA EDD-issued debit cards to make cash withdrawals at ATMs.

This was a joint investigation with the CA EDD-Investigation Division, the USPIS, and the U.S. Marshals Service. *United States v. Catrina Gipson et al.* (C.D. California)

Former Amtrak Employee Sentenced to More Than 2 Years in Federal Prison for COVID-19 Fraud

On July 17, 2025, Lizette Lathon, a former Amtrak employee, was sentenced to 25 months in federal prison for conspiring with her husband to steal nearly \$1 million in pandemic-related UI benefits and for fraudulently obtaining more than \$63,000 in sickness benefits while she worked at the passenger railroad company. She was also ordered to pay more than \$1 million in restitution.

From March 2020 through March 2021, Lathon submitted fraudulent applications with the CA EDD for UI benefits by using names, SSNs, and dates of birth that she obtained from former clients of her tax-preparation businesses without their permission. On the applications, she falsely asserted inflated income for the named claimants—many of whom had never lived in California—to receive the maximum benefit amount.

As a result of the fraudulent claims, CA EDD authorized a financial institution to issue debit cards in the names of Lathon's former clients. The cards were mailed to addresses that she and her family controlled. Lathon and her husband then used the debit cards to make cash withdrawals at ATMs and to make purchases at retail stores.

During the conspiracy, Lathon and her husband caused at least 44 fraudulent UI claims to be filed, resulting in losses to CA EDD and the U.S. Treasury of more than \$998,000.

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Lathon, who was employed at Amtrak from 2000 to 2021, also schemed to defraud the Railroad Retirement Board (RRB) of sickness benefit payments by filing forged and false claims that she was being treated by a medical professional for pain and anxiety. Through this scheme, which lasted from September 2014 to January 2020, Lathon fraudulently obtained approximately \$63,000 in sickness benefit payments.

This was a joint investigation with the Amtrak-OIG, the RRB-OIG, the DOL-Employee Benefits Security Administration (DOL-EBSA), the CA EDD, the Bureau of Alcohol, Tobacco, Firearms and Explosives, HSI, and the USPIS. *United States v. Lizette Lathon* (C.D. California)

Georgia Man Sentenced to Federal Prison for CARES Act Unemployment Fraud

On May 13, 2025, Brandon Carter was sentenced to 78 months in prison for his role in submitting fraudulent UI claims to the Alabama Department of Labor (AL DOL). On July 29, 2025, Carter was ordered to pay restitution of more than \$818,000 for his role in the scheme.

From approximately March 2020 through September 2020, Carter and his co-conspirators submitted numerous fraudulent UI claims to AL DOL. He falsely claimed Alabama residency, used multiple aliases, and submitted fictitious names, dates of birth, SSNs, and other fraudulent information to support the claims. Carter and his co-conspirators filed claims from hotels, using virtual private networks to mask their identities. As a result, AL DOL disbursed UI benefits via direct deposits into bank accounts controlled by the defendants. In addition, debit cards containing UI benefits were mailed to addresses the conspirators controlled, including an abandoned apartment complex where Carter and his co-conspirators set up mailboxes to receive the UI debit cards. In total, the scheme caused a loss of more than \$800,000 to the UI program.

This was a joint investigation with the AL DOL, the USPIS, the USSS, Social Security Administration-Office of Inspector General (SSA-OIG), the Alabama Department of Transportation, and the Alabama State Bureau of Investigations. *United States v. Brandon Cody Carter* (M.D. Alabama)

Former State of California Employee and Ex-Boyfriend Sentenced for Unemployment Insurance Fraud Scheme

On May 9, 2025, Phyllis Stitt, a former CA EDD employee, and her ex-boyfriend, Kenneth Riley, were both sentenced to 20 months in prison for their involvement in an UI fraud scheme. Stitt was ordered to pay approximately \$768,000 in restitution, and Riley was ordered to pay more than \$611,000 in restitution.

Stitt and Riley had been in a romantic relationship while Stitt was employed by the CA EDD as an employment program representative. Her job duties included determining claimant eligibility for UI benefits and performing claim processing activities.

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From March 2020 to September 2021, Stitt acquired the names, dates of birth, SSNs, and other PII of identity theft victims while working at CA EDD. She then filed fraudulent claims for UI benefits using the stolen PII without the victims' knowledge or consent. Stitt also backdated the fraudulent claims to maximize the amount of UI benefits paid. She then certified the fraudulent claims that included the victims' employment history, driver's license information, and employment status. Many of the victims were ineligible to receive these benefits because they were actively employed or deceased.

As a result, Stitt and Riley received debit cards, which were loaded with UI benefits, that were mailed to addresses they controlled. To access the stolen funds, Riley and others made cash withdrawals, bank transfers, and retail purchases.

This was a joint investigation with the FBI and the CA EDD-Investigation Division. *United States v. Phyllis Hope Stitt et al.* (C.D. California)

Virginia Man Sentenced to 70 Months in Prison for Using Stolen Identities to Defraud Pandemic-Related Unemployment Insurance Program

On April 16, 2025, Dwaynald Gibbs was sentenced to 70 months in prison and ordered to pay more than \$650,000 in restitution for his role in a pandemic-related UI fraud scheme.

From approximately July 2020 to April 2021, Gibbs submitted fraudulent UI applications to the Virginia Employment Commission (VEC) to obtain hundreds of thousands of dollars in UI benefits by using the stolen personal identifiable information of other individuals, including identity theft victims. The fraudulent UI claims were discovered after a review identified multiple applications sharing certain similarities. Many of the UI claims had the same name for the former employer, mailing addresses associated with Gibbs, and the same telephone number. As a result of Gibbs' fraud, the VEC mailed debit cards to addresses that he controlled, enabling him and others to use the debit cards for their personal financial gain.

Gibbs filed dozens of fraudulent UI claims that resulted in VEC approving approximately \$659,000 in UI benefits.

This was a joint investigation with the DHS-OIG. *United States v. Dwaynald Gibbs* (E.D. Virginia)

Texas Woman Sentenced for Filing Fraudulent Applications for Multiple Government Disaster and Pandemic Relief Programs

On May 1, 2025, Cora Chantail Custard was sentenced to 57 months in prison and ordered to pay more than \$620,000 in restitution for her role in a conspiracy to defraud a variety of CARES Act programs.

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From March 2020 to March 2021, Custard submitted more than 100 fraudulent pandemic-related UI claims in Michigan, Illinois and several other states. At least 20 of those claims resulted in payouts totaling nearly \$200,000.

Custard used social media to promote her efforts in furtherance of the fraud scheme. She used Facebook to advertise services to file fraudulent disaster relief claims. Her posts repeatedly described the scheme to obtain between \$6,000 and \$8,000 for an application within days of filing. Custard also submitted more than 100 fraudulent Economic Injury Disaster Loan (EIDL) applications, 36 of which resulted in advance payments of about \$345,000. Additionally, she filed at least 30 fraudulent Federal Emergency Management Agency (FEMA) disaster benefit applications related to two hurricanes in 2020. At least 16 of those fraudulent applications resulted in the disbursement of approximately \$75,000.

This is a joint investigation with the DHS-OIG, the U.S. Treasury Inspector General for Tax Administration, the SSA-OIG, the U.S. Small Business Administration (SBA)-OIG, and the IRS-CI. *United States v. Cora Chantail Custard* (S.D. Texas)

Indianapolis Man Sentenced to Prison for Stealing Pandemic Relief Funds

On August 1, 2025, Johnson Omodusonu pled guilty to one count of conspiracy to commit access device fraud and one count of access device fraud. On the same day, Omodusonu was sentenced to 24 months in prison and ordered to pay approximately \$520,000 in restitution for his role in a COVID-19 pandemic-relief fraud scheme.

From approximately August 2020 to October 2020, Omodusonu and his co-conspirators acquired more than 165 UI debit cards that were periodically loaded with UI benefits. None of the debt cards belonged to the conspiracy members as they were all issued in the names of identity theft victims. To obtain the debit cards, other conspiracy members, who were located outside the United States, used stolen PII to file numerous false UI claims with various SWAs.

Omodusonu and his co-conspirators subsequently used the debit cards to make more than 525 cash withdrawals at various ATMs in and around Indianapolis, Indiana, stealing more than \$520,000 in benefits. They took a portion of the proceeds for their personal benefit and then delivered the remaining cash to other co-conspirators.

This investigation is joint with the FBI and the USPIS. *United States v. Johnson Omodusonu* (S.D. Indiana)

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New York Man Sentenced to More Than 2 Years in Prison for Money Laundering Connected to Stolen Federal Funds

On April 1, 2025, Xing Zheng was sentenced to 28 months in prison for his role in a conspiracy to launder approximately \$2.98 million in fraud proceeds, including more than \$426,000 in stolen Social Security retirement funds and COVID-19 pandemic-related UI benefits from six SWAs. Zheng was also ordered to pay approximately \$426,000 in restitution to the SSA and the various SWAs, as well as to forfeit \$745,000.

In May 2020, Zheng and a co-conspirator agreed to launder fraud proceeds from various fraud schemes. In furtherance of the conspiracy, a co-conspirator filed fraudulent applications for PUA benefits and with the SSA Retirement Insurance Benefit program by using the stolen identities and PII of eligible retirees and other individuals. The fraudulently obtained funds were then transferred to bank accounts controlled by the conspirators. Zheng purchased approximately 1,565 debit and gift cards valued at approximately \$2.98 million with the proceeds, which he then laundered and exchanged for cryptocurrency. In total, he retained approximately 25 percent of the value of the debit and gift cards.

This investigation is joint with the SSA-OIG and the FBI. *United States v. Xing Zheng* (E.D. Pennsylvania)

Maryland Defendants Convicted and Sentenced for Involvement in Pandemic Unemployment Insurance Benefits Scheme

On April 3, 2025, and July 1, 2025, respectively, Michael Cooley, Jr. and Alonzo Brown were sentenced after pleading guilty to conspiracy to commit wire fraud and aggravated identity theft for their participation in a scheme to fraudulently obtain pandemic-related UI benefits. Cooley was sentenced to 87 months in prison and Brown was sentenced to 45 months in prison. Both defendants were ordered to pay restitution of more than \$310,000.

Additionally, on April 22, 2025, co-defendant, Isiah Lewis, pled guilty to conspiracy to commit wire fraud and aggravated identity theft for his role in the UI fraud scheme.

From approximately June 2020 to March 2021, Cooley, Brown, and Lewis conspired to devise and execute a scheme to defraud multiple state workforce agencies, including the MD DOL and the CA EDD, of more than \$800,000 in UI benefits. As a result, the defendants successfully obtained more than \$300,000 in stolen funds. Cooley and his co-defendants used the PII of more than 60 individuals, including identity theft victims, to file fraudulent UI applications with MD DOL and CA EDD. The conspirators used anonymous email addresses in an attempt to obscure their identities and avoid

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detection. Debit cards, which were loaded with UI benefit funds, were sent to addresses that were controlled by the defendants. Cooley and his co-defendants flew to California to retrieve some of the debit cards to make cash withdrawals and purchase luxury items.

This is a joint investigation with the IRS-CI as part of the Maryland COVID-19 Fraud Enforcement Strike Force. *United States v. Michael Cooley Jr. et al.* (D. Maryland)

Three Louisiana Residents Sentenced in Pandemic Relief and Health Care Fraud Scheme

On August 20, 2025, Devin Tyrone Stampley, Jr., Kevan Andre Hills, and Asia Deshan Guess were sentenced to 104 months in prison, 96 months, and 24 months, respectively, and ordered to pay joint and several restitution of more than \$87,000. Further, Stampley Jr. was ordered to pay approximately \$10,000 in additional separate restitution.

On May 8, 2025, Kevan Andre Hills, Devin Tyrone Stampley Jr., and Asia Deshan Guess pled guilty to obtaining funds from federal pandemic assistance programs by submitting fraudulent applications. They also pled guilty to one count of conspiracy to commit health care fraud for their roles in schemes to obtain controlled substances from pharmacies by using fraudulent prescriptions and the stolen identities of medical professionals. Hills and Stampley pled guilty to one count of aggravated identity theft and one count of conspiracy to commit wire fraud. Stampley pled guilty to one count of burglary of a pharmacy. Guess pled guilty to one count of theft of government funds.

Guess fraudulently applied for more than \$125,000 in PUA benefits. She submitted fraudulent claims for UI benefits to the Louisiana Workforce Commission, the Maine Department of Labor, and numerous other SWAs. Guess falsified application details, such as her employment history and residency, in an effort to appear eligible for PUA funds and other benefits. In total, she fraudulently obtained more than \$15,000 in UI benefits.

Hills, Stampley, and Guess submitted fraudulent prescriptions for controlled substances to Medicaid. Without the providers' knowledge, they used Drug Enforcement Administration (DEA) registration numbers and other identifying information of several physicians and other medical providers to submit fraudulent prescriptions. To unlawfully obtain controlled substances for resale, Stampley also burglarized a pharmacy in Louisiana.

Further, the defendants submitted and assisted others to submit numerous fraudulent applications for nearly \$300,000 in funds from the Paycheck Protection Program (PPP) and the EIDL Program. Hills, Stampley, and their co-conspirators submitted fraudulent bank statements, tax forms, and other documents in support of the fraudulent PPP applications. In total, they defrauded the programs of at least \$87,000 by posing as small business owners and residents in need of assistance.

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This is a joint investigation with the U.S. Department of Health and Human Services (HHS)-OIG and the DEA. *United States v. Hills et al.* (M.D. Louisiana)

Previously Convicted Maryland Felon Sentenced to More Than 26 Years in Prison for Drug and Firearm Offenses, Wire Fraud, and Aggravated Identity Theft

On April 9, 2025, Ryan Dales was sentenced to 26 years in prison for unlawful possession of a firearm as a felon, possession with intent to distribute fentanyl, possession of a firearm in furtherance of a drug trafficking crime, as well as wire fraud, and aggravated identity theft for his role in multi-faceted fraud schemes, including filing fraudulent pandemic-related UI claims with the MD DOL.

In December 2024, a federal jury in Baltimore found Dales guilty of unlawfully possessing a firearm as a felon, possession with intent to distribute fentanyl, and possession of a firearm in furtherance of a drug trafficking crime. Additionally, Dales faced a second trial on wire fraud and aggravated identity theft charges, but on January 10, 2025, Dales pled guilty to wire fraud and aggravated identity theft.

From December 2020 to September 2022, Dales was serving a federal sentence for bank fraud, conspiracy, and aggravated identity theft. While living in a halfway house on supervised release, he attempted to defraud the MD DOL, the SBA, and various businesses and financial institutions of more than \$25,000 in pandemic relief funds. Dales submitted fraudulent claims for UI benefits, and he attempted to fraudulently obtain an \$8,000 Economic Injury Disaster Loan from the SBA. He also received more than \$95,000 from the sale of high-end riding lawn mowers, which he purchased from various outdoor equipment retailers by securing lines of credit using the PII of identity theft victims.

On January 20, 2023, Dales was arrested, and law enforcement executed a federal search warrant at his luxury apartment. They located and seized various items used in connection with selling drugs, including loaded firearms and rounds of ammunition. In addition, law enforcement seized dangerous controlled substances, fentanyl packaged for street-level distribution, drug paraphernalia, and cell phones. They also seized items connected with Dales' fraud and identity theft schemes, including computers, an embosser and ID card printer, security holograms, gift cards, a card printer and card reader, and blank PVC cards. It was also revealed that he obtained the PII of identity theft victims on the dark web.

This was a joint investigation with the FBI. *United States v. Ryan E. Dales* (D. Maryland)

Baltimore Woman Pled Guilty to Role in \$3.2 Million Unemployment Insurance Fraud Scheme

On August 11, 2025, Tyshawna Davis pled guilty to conspiracy to commit wire fraud and aggravated identity theft for her role in a pandemic-related UI fraud scheme that defrauded the MD DOL.

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From approximately May 2020 to May 2021, Davis and her co-conspirators submitted fraudulent UI applications to MD DOL that contained addresses, employment status, work histories, occupations, and benefit eligibility of unsuspecting identity theft victims. Davis directed certain co-conspirators to obtain the PII of identity theft victims, which Davis and her co-conspirators then used in the submission of fraudulent UI claims to MD DOL. Davis also created an email account that she and her co-conspirators used as the common contact email address on more than 150 fraudulent UI claims.

An Internet Protocol address associated with Davis was used more than 1,500 times to log into the UI claim system of MD DOL. During these logins, she accessed UI claims involving at least 60 different individuals who were identity theft victims.

Once MD DOL disbursed the UI benefits via the pre-paid debit cards, Davis made ATM withdrawals to obtain the stolen funds. Through text messages to her co-conspirators, she provided instructions about how fraudulent proceeds would be divided among themselves.

Davis and her co-conspirators submitted at least 150 fraudulent UI claim applications, resulting in a loss of more than \$3.2 million.

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

Three Former State of Michigan Employees Pled Guilty for Role in Unemployment Insurance Fraud Scheme

Three former MUIA employees pled guilty for their involvement in an UI fraud scheme. Each former employee pled to the following:

- September 24, 2025 - Jennae Reed pled guilty to conspiracy to commit federal program bribery scheme.
- August 28, 2025 - Janine Rayford pled guilty to one count of conspiracy to commit federal program bribery and one count of aggravated identity theft.
- May 8, 2025 - Timeka Johnson pled guilty to aggravated identity theft and conspiracy to commit wire fraud.

As part of the fraud conspiracy, Reed, Johnson and Rayford accessed MUIA UI claim information without authorization and dismissed and improperly closed fraud prevention triggers and information requests used to help verify the legitimacy of UI claims. In furtherance of the scheme, Johnson and Rayford uploaded false and fraudulent documentation to support fraudulent UI claims, falsely certifying UI claimants as being eligible for assistance. The unauthorized actions of Reed, Johnson, and Rayford caused the issuance of improper payments of UI benefits to be made.

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As a result of the conspiracy, more than \$2.86 million in UI assistance funding was issued to third-party claimants. Additionally, Reed and Rayford also obtained at least \$34,000 and \$50,000, respectively, in bribe payments in exchange for actions related to the fraudulent UI claims.

This is a joint investigation with the FBI, the DHS-OIG, the MUIA, and the USPIS. *United States v. Timeka Johnson et al.* (E.D. Michigan)

Two Defendants Pled Guilty to Fraud Scheme Involving Data Stolen from Hospital Patients

On July 28, 2025, and August 6, 2025, Charlene Marte and Wilkens Estrella, respectively, pled guilty to conspiracy to commit wire fraud and bank fraud in a scheme to fraudulently obtain pandemic relief funds from the IRS and the New York State Department of Labor (NYSDOL). The scheme resulted in almost \$1 million in actual losses. Estrella also pled guilty to violating the Health Insurance Portability and Accountability Act through the wrongful disclosure of individually identifiable health information.

From at least 2020 to 2022, Estrella and Marte misused the names, SSNs, and other PII belonging to hundreds of individuals to fraudulently obtain approximately \$1.6 million in COVID-19 stimulus checks and tax refunds from the IRS, and UI benefits from NYSDOL. They also arranged for these and other funds to be loaded onto hundreds of debit cards that they opened in other individual's names obtained using stolen data. They then had the debit cards mailed to homes associated with them or their family members. Estrella, a former clerk at a New York hospital, accessed and stole data of at least 4,005 hospital patients for use in the fraud scheme.

This is a joint investigation with the FBI and the IRS. *United States v. Wilkens Estrella and Charlene Marte* (S.D. New York)

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.

OWCP HAS TAKEN STEPS TO ADDRESS THE BACKLOG OF WAR HAZARDS CLAIMS

Why OIG Conducted the Audit

Since the early 1940s, the U.S. government has ensured workers' compensation for contracted workers overseas who suffer injuries, disabilities, deaths, or detentions. War Hazards Compensation Act claims are funded through the Employees' Compensation Fund and congressional appropriations. In 2024, \$700 million in funding under special benefits was appropriated for War Hazards.

By mitigating financial risks associated with work in dangerous environments, War Hazards Compensation Act claims encourage companies to participate in government contracts, ensuring availability of essential services and support in conflict zones. Based on inquiries the OIG received regarding concerns about a backlog of claims, we conducted a performance audit to determine:

Has the OWCP ensured efficiency and thoroughness in processing War Hazards Compensation Act claims, addressed any backlog of unprocessed or unpaid claims, and implemented a secure process for collecting and safeguarding associated claims data?

To make this determination, we analyzed OWCP War Hazards Compensation Act claims data from January 2014 through October 2024, interviewed OWCP War Hazards Compensation Act claims officials and OWCP management, and reviewed related regulations and policy documents.

Worker and Retiree Benefit Programs

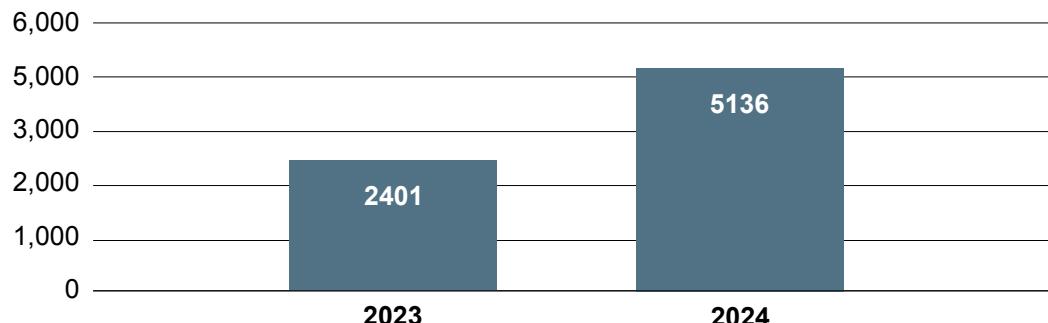
What OIG Found

We found OWCP had a thorough method for processing and paying War Hazards Compensation Act claims, including a valid and secure approach to collecting and safeguarding associated claims data. Moreover, OWCP is implementing new processes to improve efficiency and security of case and claims submission by the insurance carriers.

In addition, we determined a backlog did exist; however, it did not result from any process failure but was instead due to an increased volume of claims that resulted from expanded eligibility. OWCP had taken steps to swiftly increase its output for processing and paying claims, including allocating additional staff, which has helped address the backlog.

OWCP is also developing and implementing additional strategies—such as sampling enhancements, draft decision documents, and consolidated claims—to improve War Hazards case management, streamline processing times and reduce the backlog, helping prevent future issues. OIG analysis determined OWCP's process and its planned improvements, including the continuation of additional staffing resources, will allow OWCP to continue to address the backlog. As of October 2024, OWCP has approved and paid more cases in 2024 so far than in all of 2023 (see Figure 1).

Figure 1: Number of War Hazards Cases (Approved and Paid), 2023 and 2024*



*Numbers for 2024 are from January 1 through October 17. Source: OWCP Weekly War Hazards Report, October 17, 2024

Read the Full Report

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2025/23-25-003-04-432.pdf>, Report No. 23-25-003-04-432 (May 12, 2025).

Worker and Retiree Benefit Programs

Walgreens Agrees to Pay Up to \$350 Million for Illegally Filling Unlawful Opioid Prescriptions and Submitting False Claims to the Federal Government

On April 21, 2025, Walgreens Boots Alliance and various subsidiaries (“Walgreens”), agreed to a \$300 million settlement to resolve allegations that the national pharmacy chain filled millions of invalid prescriptions for opioids and other controlled substances in violation of the Controlled Substances Act and then sought payment from Medicare and other federal health care programs, including workers compensation programs administered by the DOL, for many of those prescriptions. As part of the settlement, Walgreens will owe the U.S. government an additional \$50 million if the company is sold, merged, or transferred prior to 2032.

On April 18, 2025, the U.S. Department of Justice filed an amended civil complaint to its initial complaint, alleging that Walgreens knowingly filled millions of prescriptions for controlled substances that lacked a legitimate medical purpose, were not valid, and were not issued in the usual course of professional practice. The complaint further alleged that Walgreens pharmacists filled the prescriptions despite clear “red flags” indicating the prescriptions were highly likely to be invalid.

This was a joint investigation with the DEA, the HHS-OIG, the Defense Criminal Investigative Service, the Defense Health Agency, the Office of Personnel Management (OPM), the VA-OIG, and the FBI. *United States v. Walgreen Co. et al.* (N.D. Illinois)

Houston Doctor to Pay More Than \$2 Million to Settle Allegations of Fraudulent Billing of Federal Programs

On August 11, 2025, Ajay Aggarwal, an anesthesiologist and pain medicine doctor, agreed to pay more than \$2 million to resolve allegations that he submitted false claims to federally funded health care programs, including DOL’s OWCP.

Aggarwal, a sole proprietorship, and PRWCSWTX LLC, are entities that Aggarwal used to conduct his medical practice. From November 2021 to March 2023, Aggarwal billed for the surgical implantation of neurostimulator electrodes. These procedures, which are invasive and typically require the use of an operating room, were primarily submitted for reimbursement to OWCP and Medicare. Due to the complex nature of these surgical interventions, federally funded health care programs usually reimburse providers thousands of dollars per procedure.

According to the allegations, Aggarwal submitted inaccurate billing for these high-cost treatments. Patients allegedly received devices used for electro-acupuncture that only involved inserting monofilament wire into patients’ ears and taping the neurostimulator behind the ear. These device placements took place in Aggarwal’s clinic, as opposed to a hospital or surgical center, and no incision was made on a patient.

This is a joint civil investigation with the USPS-OIG, the OPM-OIG, the VA-OIG, and the HHS-OIG. (S.D. Texas)

Worker Safety, Health, and Workplace Rights



Mine Safety and Health Administration

Wage and Hour Programs

Mine Safety and Health Administration

The Mine Safety and Health Administration (MSHA) develops and enforces safety and health standards and regulations for all U.S. mines. Its mission is to prevent death, illness, and injury for miners by conducting inspections, investigating accidents, and requiring operators to correct hazardous conditions. MSHA also provides training and compliance assistance to ensure safe working environments for more than 327,000 men and women working in the nation's mines.

Kentucky Man Pled Guilty to Conspiring to Cover Up Coal Mine Fire in Illinois

On August 28, 2025, Timothy Brandon Parsons pled guilty to conspiring to defraud DOL's MSHA in relation to an underground fire that occurred in the MC#1 Mine in Franklin County, Illinois, in August 2021.

On August 12, 2021, Parsons was the mine manager when an underground fire was ignited by a torch used to cut collapsed steel beams. Rather than implementing the approved Mine Emergency Evacuation and Firefighting Plan, Parsons and conspirators agreed that they would not evacuate miners or notify MSHA. Despite gas detectors indicating the dangerous presence of carbon monoxide, the miners continued to work during firefighting efforts from August 12-13.

On August 13, 2021, Parsons tried to conceal the existence of the fire by evacuating the mine under the false pretense that a coal carrying belt was broken. Later, MSHA received an anonymous tip about the fire and ordered that the mine be evacuated after inspectors confirmed the fire's existence. Despite the evacuation order and without MSHA's permission, the conspirators twice re-entered the mine to assess the fire and manipulate underground conditions so MSHA would allow mining to resume. Conspiracy members did not wear the devices designed to track the underground location of miners, and they made false entries in records.

This is a joint investigation with the FBI. *United States v. Timothy Brandon Parsons* (S.D. Illinois)

Wage and Hour Programs

The Wage and Hour Division (WHD) enforces federal minimum wage, overtime pay, recordkeeping, and child labor requirements of the Fair Labor Standards Act (FLSA). WHD also enforces the Migrant and Seasonal Agricultural Worker Protection Act, the Employee Polygraph Protection Act, the Family and Medical Leave Act, the wage garnishment provisions of the Consumer Credit Protection Act, the Labor Value Content requirements of the United States-Mexico-Canada Implementation Act, and a number of employment standards and worker protections as provided in several immigration-related statutes.

Additionally, WHD administers and enforces the prevailing wage requirements of the Davis-Bacon and Related Acts, the Service Contract Act, and other statutes applicable to federal contracts for construction and for the provision of goods and services.

ADVISORY REPORT: REVIEW OF WHD EFFORTS TO ADDRESS CHILD LABOR LAW VIOLATION CHALLENGES

Why OIG Conducted the Audit

Based on national concern associated with rising child labor law¹ violations, we conducted a review to answer the following question:

How has WHD addressed challenges in enforcing child labor laws?

Additionally, ongoing child labor law violation issues were highlighted in several recent news articles.

What OIG Found

We learned WHD is leveraging its limited resources to enforce child labor laws through a multi-faceted approach that uses available tools and resources, as follows:

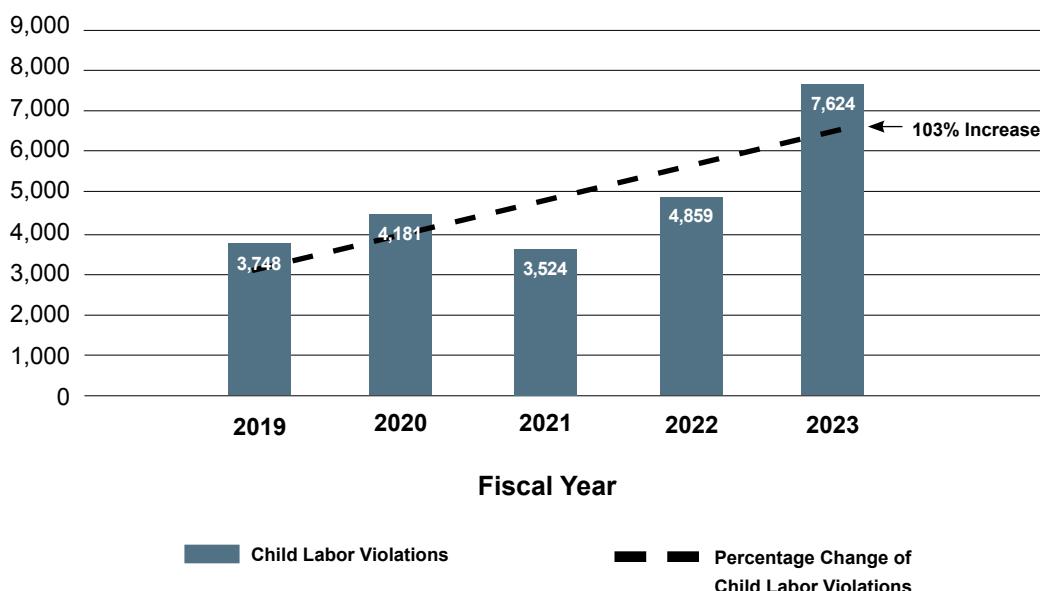
¹ The FLSA sets wage, hours worked, and safety requirements for minors (individuals under age 18) working in jobs covered by the statute. The rules vary depending upon the particular age of the minor and the particular job involved. As a general rule, the FLSA sets the minimum age for employment at 16 years old but authorizes the Secretary of Labor to permit minors between the ages of 14 and 16 to work a limited number of hours in certain occupations.

Worker Safety, Health, and Workplace Rights

- sharing information with federal, state, and local entities in the form of a strategic enforcement initiative, a task force, and partnerships;
- targeting resources toward child labor investigations; and
- holding companies accountable for violating the law through the use of monetary penalties and other mechanisms.

However, we determined WHD encountered several challenges in enforcing child labor laws, including resource constraints, communication barriers, and confusion caused by differences in state and federal child labor laws. This is problematic considering, during our review period from FY 2019 to FY 2023, WHD saw an increase from 3,073 to 5,766 (88 percent) in the number of minors employed in violation of child labor laws. Further, during the same time period, WHD investigations revealed an increase from 3,748 to 7,624 (103 percent) in the number of child labor law violations (see Figure 2).

Figure 2: Child Labor Law Violations by Fiscal Year



Source: Compiled by the OIG using case data provided by WHD

We identified that resource constraints have impacted WHD's ability to investigate child labor law violators and hold them accountable for exploiting working minors. Furthermore, communication barriers between WHD investigators and employees of businesses under investigation have affected WHD's ability to enforce child labor laws. These communication barriers limit WHD's ability to educate working minors on their rights and protections to keep them safe. Additionally, differences in state and federal child labor laws have created confusion among employers about their responsibilities, which also impacts WHD's enforcement efforts. Specifically, we learned that state actions to strengthen or weaken child labor law protections have led to misunderstandings among employers. Finally, the OIG is concerned with the handling of instances of possible labor trafficking of minors when encountered by WHD investigators in the field.

Worker Safety, Health, and Workplace Rights

What OIG Recommended

We made no recommendations in this advisory report. The OIG's recently announced audit work² will analyze child labor law violations in greater detail by targeting areas of high risk and concern for further review and analysis. The information from this advisory report will inform the focus of that audit work.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2025/17-25-001-15-001.pdf>, Report No. 17-25-001-15-001 (September 30, 2025).

Six Former Cult Members Sentenced for Lengthy Forced Labor Conspiracy to Compel Labor of Minors

On August 7, 2025, six former high-ranking members of the United Nation of Islam (UNOI) were sentenced for their involvement in a forced labor and forced labor conspiracy scheme. Kaaba Majeed was sentenced to 10 years in prison; James Staton and Randolph Rodney Hadley were sentenced to 5 years in prison; Daniel Aubrey Jenkins and Dana Peach were sentenced to 4 years in prison, and Yunus Rassoul was sentenced to 5 years probation. Rassoul subsequently entered into a restitution and appeal agreement to pay \$150,000 to the victims.

From October 2000 through November 2012, the defendants conspired to enforce rules requiring UNOI members to perform unpaid labor—using beatings, threats, punishments, isolation, and coercion to compel the labor of over a dozen victims, including minors as young as eight years old. Victims worked without pay for up to 16 hours a day in UNOI-owned and operated businesses in Kansas, New York, New Jersey, Ohio, Georgia, and other states. The defendants also forced the victims to perform unpaid childcare and domestic service in the defendants' homes. While the victims were housed in overcrowded and unsanitary conditions with limited food and water, the defendants lived comfortably.

During a September 2024 trial, it was proven that the defendants made false promises of education, life skills training, and job training to induce parents to send their children to Kansas. After isolating the victims from their families and making them fully dependent on UNOI, the defendants required the victims to attend UNOI's unlicensed and unaccredited school. They also restricted and monitored the victims' communications with others, including regarding the whereabouts of the victims.

This is a joint investigation with the FBI. *United States v. Kaaba Majeed et al.* (D. Kansas)

² Wage and Hour Division's Efforts to Protect Child Laborers, Project No. 09-P25-001-15-001 (July 31, 2025), available at: https://www.oig.dol.gov/public/oaprojects/Engagement%20Letter_WHD%20Child%20Labor%20Violations_073125.pdf

Employment and Training Programs



Workforce Development Programs

Foreign Labor Certification Programs

Workforce Development Programs

The Employment and Training Administration (ETA) administers federal workforce development programs, including those authorized by the Workforce Innovation and Opportunity Act (WIOA). These programs help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. Additionally, WIOA also helps employers hire and retain skilled workers, ensuring that American workers are equipped with the necessary skills and opportunities and are prioritized for employment over foreign workers.

COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New York

Why OIG Conducted the Audit

ETA awards grants to states, local governments, and other entities to provide individuals with significant barriers to employment the opportunity to enter into high-quality jobs and careers, as well as to help employers hire and retain skilled workers.

ETA awarded approximately \$16 billion to grant recipients in all 50 states, the District of Columbia, and U.S. territories from October 2018 through September 2021. During this time, the COVID-19 pandemic created many challenges for ETA job training programs across the nation, such as the suspension of in-person services and the transition to providing services remotely, which impacted its ability to provide services to the public.

For this audit, we focused on the State of New York because it was allotted the third highest amount of statutory employment and training grant funds associated with the Workforce Innovation and Opportunity Act to answer the following question:

Did ETA grant recipients and subrecipients utilize grant funds for the intended purposes during the COVID-19 pandemic?

To answer this question, we analyzed grant recipient and subrecipient funding data and WIOA eligibility requirements for select grants issued prior to and during the COVID-19 pandemic. In addition, we reviewed federal, state, and grant recipients' guidance and policies and procedures, as well as supporting documentation for grant recipients and subrecipients. We also interviewed ETA, state, and grant recipients' and subrecipients' staff.

Employment and Training Programs

What OIG Found

ETA's grant recipients and their subrecipients received WIOA grant funds to provide career, training, and supportive services. However, we found ETA did not ensure grant recipients and subrecipients utilized grant funds for the intended purposes during the COVID-19 pandemic, resulting in grant recipients and their subrecipients not: (1) accurately reporting enrollment levels and serving only eligible participants, (2) awarding contracts in compliance with federal regulations, (3) maintaining proper documentation to support claimed costs, and (4) avoiding conflicts of interest in executing grant terms.

These issues occurred partly because of incorrect reporting, missing or insufficient documentation, and the lack of an established conflict of interest policy. As a result, ETA cannot provide reasonable assurance that the more than \$740 million awarded in New York was used in the best interest of the award programs. Furthermore, in our review of statutory and discretionary grant funds awarded before and during the pandemic, we identified a total of \$25,391,220 in questioned costs associated with contractual services as well as payroll and non-payroll costs.

Reported outcomes for the statutory and discretionary grant programs may have created a false sense of success, as the programs might not have served the intended population or reached those truly in need.

What OIG Recommended

We made six recommendations to ETA to improve grant verification and monitoring capabilities, increase technical assistance to funding recipients, and remedy the questioned costs identified during this audit. ETA provided a response to the August 2025 draft report in November 2025. Once cleared, we will post this response, along with our related analysis, to our webpage.

Read the Full Report

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2025/19-25-008-03-391.pdf>, Report No. 19-25-008-03-391 (September 26, 2025).

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 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.

Mexican Nationals Admit Roles in Smuggling and Labor Trafficking Scheme

On April 11, 2025, and May 19, 2025, Maria Del Carmen Sanchez Potrero and Apolinar Francisco Paredes Espinoza were sentenced, respectively, for their involvement in a scheme to smuggle undocumented workers into the United States, harbor them at Connecticut residences, force them to work, and threaten to harm them if they failed to pay exorbitant fees, interest and living expenses. Sanchez, Paredes, and a third co-defendant, Porfiria Maribel Ramos Sanchez, forced the undocumented individuals to work in circumvention of DOL's H-2B visa program. Sanchez and Paredes were sentenced to 51 months and 40 months in prison, respectively. Sanchez and Paredes were also ordered to pay restitution of more than \$574,000, jointly and severally, with Ramos.

The defendants arranged to enter the United States with undocumented workers for fees of between \$15,000 and \$20,000 per victim. In most cases, the workers were required to provide a property deed as collateral before leaving Mexico. After the undocumented workers arrived in Connecticut, they were told they owed \$30,000 plus interest. They were also forced to pay Ramos, Sanchez, and Paredes for their rent, food, gas, and utilities. The defendants created false identity documents for the workers and helped them to find employment. In addition to their jobs, some of the workers were required to perform housework and yardwork without compensation or a debt reduction. To date, the investigation has identified 18 trafficked undocumented workers.

This was a joint investigation with the FBI, the U.S. Customs and Border Protection, the U.S. Citizenship and Immigration Services, the ICE, and the Hartford Police Department. *United States v. Maria Del Carmen Sanchez-Potrero; United States v. Apolinar Francisco Paredes-Espinoza; United States v. Porfiria Maribel Ramos Sanchez* (D. Connecticut)



Labor Racketeering

Labor Racketeering

Under the Inspector General Act of 1978, as amended, the OIG is responsible for investigating labor racketeering and the influence of organized criminal enterprises involving unions, employee benefit plans, and labor-management relations.

Labor racketeering refers to the infiltration, exploitation, or control of a union, employee benefit plan, employer entity, or workforce, carried out through illegal, violent, or fraudulent means. OIG labor racketeering investigations focus largely on individuals and organized criminal enterprises engaged in embezzlement, extortion, violence against union members or employers, and other related criminal activities.

Our investigations continue to identify fraudulent payments from employers to union representatives in order to gain favorable labor agreements for the employer. Our investigations have also identified complex financial and investment schemes used to defraud union affiliated benefit plans, resulting in millions of dollars in losses to plan participants.

Former Union Official and Two Business Executives Pled Guilty to Their Roles in Schemes to Provide and Receive Prohibited Labor Payments and/or Kickbacks

On April 2, 2025, Ricky Dallas O’Quinn and his wife, Mabel O’Quinn, each pled guilty to one count of conspiracy to provide and receive prohibited labor payments in violation of the Taft-Hartley Act. Additionally, on July 23, 2025, Robert L. Rubin pled guilty to one count of conspiracy to violate the federal Anti-Kickback Statute.

From approximately 2010 to 2023, Ricky O’Quinn served as both an officer and employee of the International Union, Security, Police and Fire Professionals of America (SPFPA), a labor union representing protective security officers at federal worksites. SPFPA executed collective bargaining agreements with multiple employers covering the security industry in several states. Mabel O’Quinn was the founder, incorporator, and an initial director of a company that provided protective security officers at federal workplaces in numerous states. While Mabel O’Quinn served as the Chief Executive Officer and President of the company, Ricky O’Quinn was involved in the finance, budget, and operations of the company since its inception in a clandestine role. Both defendants hid Ricky O’Quinn’s involvement in operating their company.

The O’Quinns worked with the President of Company-1, which also provides protective security officers at federal workplaces in numerous states. The defendants conspired with Company 1’s

Labor Racketeering

President to obtain government contracts by exploiting the status of their company as a small, woman service-disabled owned business. In exchange for getting the O'Quinns lucrative sub-contracts totaling tens of millions of dollars, Company-1's President and his family received 40 percent of the ownership and/or profits of the O'Quinn's company.

From 2010 to 2020, Rubin served as the Vice President of Business Development for Company-1. Rubin held hidden interests in subcontractors to Company-1. In exchange for this hidden interest in the subcontractors' proceeds, Rubin assisted in obtaining and performing lucrative subcontracts on behalf of Company-1. One subcontractor in question, and its affiliated entities, were awarded more than \$100 million in contract proceeds.

United States v. Ricky O'Quinn; United States v. Mabel O'Quinn; United States v. Robert Louis Rubin (E.D. Virginia)

Departmental Management



Departmental Management

Single Audits

Departmental Management

The OIG performs oversight work involving the Department's operations, financial management, and IT services.

SERVICE AUDITORS' REPORT ON THE INTEGRATED FEDERAL EMPLOYEES' COMPENSATION SYSTEM FOR THE PERIOD OCTOBER 1, 2024, THROUGH JUNE 30, 2025

The OIG contracted with the independent certified public accounting firm KPMG LLP (KPMG) to perform an examination of the Integrated Federal Employees' Compensation System (iFECS) transaction processing for application and general controls for the period October 1, 2024, through June 30, 2025. The examination was to determine if iFECS application and general controls, as described in the report, were fairly presented, suitably designed, and effectively operating. The controls and control objectives included in the description are those that the management of OWCP's Division of Federal Employees' Compensation and the Office of the Assistant Secretary for Administration and Management (OASAM) believe are likely to be internal controls for financial reporting relevant to user entities of the FECA Special Fund and iFECS throughout the period.

KPMG examined the suitability of the design and operating effectiveness of the controls and control objectives. KPMG concluded that, except for two matters described in the Basis for Qualified Opinion, the iFECS application and general controls, as described in the report, were suitably designed and operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the control objectives were achieved for the audit period. Those two matters are summarized as follows: during the period, OWCP and OASAM did not consistently conduct reviews (1) for continuing eligibility or (2) related to review and approval of claim compensation payments. In both cases, this meant that the controls were not operating effectively to achieve their respective control objectives, to provide related reasonable assurance.

This report, No. 22-25-008-04-431 (September 12, 2025), contains sensitive information and will not be released publicly.

THE U.S. DEPARTMENT OF LABOR DID NOT MEET THE REQUIREMENTS FOR COMPLIANCE WITH THE PAYMENT INTEGRITY INFORMATION ACT FOR FY 2024

Why OIG Conducted the Audit

The Payment Integrity Information Act of 2019 (PIIA) requires federal agencies to identify programs susceptible to significant improper payments, estimate the improper payments for those programs, and report on actions to reduce the improper payments in those programs.

What OIG Did

The OIG contracted with KPMG to conduct a performance audit related to DOL's compliance with PIIA, as defined in 31 U.S.C. § 3351(2), for the fiscal year ended September 30, 2024. KPMG's objective to evaluate DOL's compliance with PIIA included determining whether DOL met six PIIA compliance requirements in relation to the Federal State Unemployment Insurance (FSUI), FECA, and pandemic programs.

What OIG Found

KPMG concluded DOL met five of the six requirements for compliance with PIIA for the FSUI program, five of the six requirements for the FECA program, and none of the six requirements for the pandemic programs: Federal Pandemic Unemployment Compensation (FPUC), Pandemic Emergency Unemployment Compensation (PEUC) and PUA.

KPMG found DOL was not in compliance with requirement 6 of PIIA for the FSUI program. DOL reported a combined improper and unknown payment rate of 15.95 percent for the FSUI program, which exceeded the 10 percent threshold established by the PIIA. Despite DOL's efforts to reduce the improper and unknown payment rate, certain program features continue to hinder states' ability to further reduce the rate. In addition, DOL lacks access to necessary data and information, resulting in improper payments—with many being outside of DOL's control.

KPMG also determined DOL was not in compliance with requirement 5 of PIIA for the FECA program because DOL did not publish an FY 2025 FECA improper and unknown payment rate reduction target in the FY 2024 Office of Management and Budget (OMB) payment integrity data call. This occurred because DOL's review procedures lacked the precision necessary to identify discrepancies between its responses in the data call and statutory requirements.

Departmental Management

KPMG found DOL was not in compliance with any of the six requirements for the FPUC, PEUC, and PUA programs. DOL management indicated that, because the programs were expired, no further benefits were eligible after September 2021, and, as such, no reporting is required for the expired program. However, the FPUC, PEUC, and PUA programs continued to have gross residual outlays for eligible claims of approximately \$250.5 million, \$68.5 million, and \$121.4 million, respectively, for the FY 2024 reporting period. Therefore, the pandemic programs should be reportable for FY 2024 due to the improper and unknown payment estimates exceeding the statutory threshold per PIIA.

In addition, KPMG noted during its review of the improper payment information reported through the FY 2024 OMB payment integrity data call that DOL management did not identify or correct the differences within DOL's risk assessment supporting schedules. Specifically, DOL's risk assessment supporting schedules contained discrepancies and inconsistencies with the information reported on PaymentAccuracy.gov. Moreover, the FSUI program improper payment reporting on PaymentAccuracy.gov and in its FY 2024 dataset contained discrepancies with the OMB payment integrity data call. The errors occurred because DOL's review procedures were not designed at a level of precision to identify errors within the supporting schedules for its OMB payment integrity data call reporting and published information on PaymentAccuracy.gov.

What OIG Recommended

KPMG made three recommendations to DOL management to ensure accurate data call responses, maintain focus on technical assistance, and improve pandemic reporting. DOL management agreed, in part, with two of our three recommendations. However, DOL management did not concur with two findings and their related recommendation. KPMG reviewed management's response; however, management's comments did not result in any changes to the findings or recommendation.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2025/22-25-007-13-001.pdf>, Report No. 22-25-007-13-001 (May 27, 2025).

LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT SPECIAL FUND FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

The Longshore and Harbor Workers' Compensation Act Special Fund (Longshore Special Fund) provides medical benefits, compensation for lost wages, and rehabilitation services for job-related injuries and diseases sustained by private-sector workers in certain maritime and related employment. The Longshore Special Fund also extends benefits to dependents if any injury results in the worker's death. The OIG contracted with public accounting firm KPMG to audit the financial statements of the Longshore Special Fund as of September 30, 2024. KPMG issued an unmodified opinion, meaning the financial statements presented fairly, in all material respects, the financial position of the Longshore Special Fund, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

As part of its audit, KPMG also considered the Longshore Special Fund's internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Longshore Special Fund's internal control over financial reporting nor to identify all deficiencies that might be material weaknesses or significant deficiencies. During its audit, KPMG did not identify any deficiencies in internal control that it considered to be material weaknesses.

As part of obtaining reasonable assurance, KPMG also performed certain tests of the Longshore Special Fund's compliance with applicable laws and regulations and its test results disclosed no instances of noncompliance or other matters required to be reported under government auditing standards.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2025/22-25-005-04-432.pdf>, Report No. 22-25-005-04-432 (April 28, 2025).

DISTRICT OF COLUMBIA WORKMEN'S COMPENSATION ACT SPECIAL FUND FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

The District of Columbia Workmen's Compensation Act of 1928 Special Fund (DCCA Special Fund) provides medical benefits, compensation for lost wages, and rehabilitation services for job-related injuries, diseases, or death of certain private-sector workers in the District of Columbia. The DCCA Special Fund also extends benefits to dependents if any injury resulted in the employee's death.

The OIG contracted with public accounting firm KPMG to audit the financial statements of the DCCA Special Fund as of September 30, 2024. KPMG issued an unmodified opinion, meaning the financial statements presented fairly, in all material respects, the financial position of the DCCA Special Fund, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

As part of its audit, KPMG also considered the DCCA Special Fund's internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the DCCA Special Fund's internal control over financial reporting nor to identify all deficiencies that might be material weaknesses or significant deficiencies. During its audit, KPMG did not identify any deficiencies in internal control that it considered to be material weaknesses.

As part of obtaining reasonable assurance, KPMG also performed certain tests of the DCCA Special Fund's compliance with applicable laws and regulations, and its test results disclosed no instances of noncompliance or other matters required to be reported under government auditing standards.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2025/22-25-006-04-432.pdf>, Report No. 22-25-006-04-432 (April 28, 2025).

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 OMB Uniform Guidance,³ cognizant federal agencies ensure the implementation of single audit requirements. A nonfederal entity expending more than \$50 million a year in federal awards has a cognizant agency for audit.⁴ DOL is currently cognizant for 12 entities.

The OIG periodically performs Quality Control Reviews (QCR) of single audits of entities over which DOL has cognizance. During this reporting period, we conducted two QCRs: (1) 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, and (2) Quality Control Review for the Single Audit of Eckerd Connects for the Fiscal Year Ended June 30, 2024.

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

We performed a QCR of the independent certified public accounting firm Jaramillo Accounting Group LLC's single audit of the State of New Mexico Department of Workforce Solutions for the fiscal year ended June 30, 2024. Our QCR covered unemployment insurance and the WIOA cluster, which totaled about \$236 million of DOL funds. We determined Jamarillo Accounting Group LLC'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/2025/24-25-002-50-598.pdf>, Report No. 24-25-002-50-598 (April 2, 2025).

³ Uniform Guidance refers to 2 C.F.R. Part 200, OMB's "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

⁴ According to Uniform Guidance, the designated cognizant agency for audit must be the federal awarding agency that provides the predominant amount of funding directly to a nonfederal entity unless OMB designates a specific cognizant agency for audit. Cognizant agencies for audit are the federal agencies designated to carry out the responsibilities described in Uniform Guidance § 200.513(a).

QUALITY CONTROL REVIEW FOR THE SINGLE AUDIT OF ECKERD CONNECTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

We performed a QCR of the independent certified public accounting firm CBIZ CPAs P.C.'s single audit of Eckerd Connects for the fiscal year ended June 30, 2024. Our QCR covered the WIOA cluster and Reentry Employment Opportunities, which totaled about \$32 million of DOL funds. We determined CBIZ CPAs P.C.'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/2025/24-25-003-50-598.pdf>, Report No. 24-25-003-50-598 (June 3, 2025).



Employee Integrity Investigations

Employee Integrity Investigations

The OIG is responsible for investigating possible misconduct or criminal activities involving DOL employees or individuals providing services to the Department.

Former Bureau of Labor Statistics Economist Sentenced after Pleading Guilty to Making False Statements

On July 17, 2025, Matthew Hong, a former economist with DOL's Bureau of Labor Statistics (BLS), was sentenced to 36 months of supervised release and ordered to pay restitution of more than \$13,300 to BLS for making false statements. This was in connection with sick leave compensation that he received from his federal government employer when he was not sick but instead was working remotely for a private company.

Hong worked as a BLS economist from April 2020 until July 2023. He worked in a role that provided him with access to certain Principal Federal Economic Indicators (PFEI), such as employment and unemployment data prior to its public disclosure. This information was subject to strict security procedures and safeguards due to the PFEI's sensitivity and ability to affect financial markets if prematurely disclosed.

In June 2022, while still employed at BLS and working remotely due to the COVID-19 pandemic, Hong began full-time employment as a senior associate at a global financial institution in New York.

Between June 2022 and July 2023, Hong made dozens of entries in BLS's time-and-attendance system that falsely represented he was sick. Hong sought sick leave compensation, despite the fact that he was not sick, but instead was working for a private financial institution. Based on these false statements, Hong received more than \$13,300 in sick leave compensation from BLS.

United States v. Matthew Hong (D. District of Columbia)

Administrative Investigation Summaries

- The OIG conducted an internal investigation into allegations that a senior DOL management official had changed information on official documents related to an ongoing OIG audit. The investigation determined that although the information was altered from what was in the original document, the information was only condensed and the substance of the information submitted was not changed. No further action was warranted.

Employee Integrity Investigations

- The OIG conducted an internal investigation into allegations that a senior DOL employee — whose duties include oversight of harassment allegations and reasonable accommodation requests—had been found to have violated Title VII by sharing medical information while still being allowed to perform these duties. The OIG’s investigation determined that the employee had never been the subject of any Title VII investigation, nor had they ever been found to have illegally shared confidential medical information. No further action was taken.
- The OIG conducted an internal investigation into allegations that a senior DOL management official had engaged in prohibited personnel practices when they pressured the supervisor at a field office to select one employee over another for a management position at the field office. The investigation confirmed that the senior management official did contact the supervisor and pressure them to select one specific person who had scored lower in an interview than the other candidates. The investigation was referred to DOL in January 2025. On September 5, 2025, DOL indicated that the senior management official had entered into a settlement with the Department and agreed to retire through the Deferred Resignation Program on December 31, 2025.
- The OIG conducted an internal investigation into allegations that a senior DOL management official had engaged in prohibited personnel practices and an ethics violation. The senior DOL official allegedly hired a former personal attorney, to whom they allegedly owed a large sum in legal fees, to fill a position in their office in return for lowering the overall amount owed. The investigation determined that the senior DOL official did hire their former attorney to fill a position; however, the position was a Presidentially mandated position, and the employee was hired pursuant to all applicable Office of Personnel and DOL guidelines. In addition, the investigation determined that the senior DOL management official did not owe money to the attorney directly, but instead owed money to a State Court for payment of litigation expenses. No further action was taken.



OIG Whistleblower Activities

OIG Whistleblower Activities

Whistleblower Protection Coordinator

DOL employees, contractors, subcontractors, and grantees perform an important service by reporting evidence of wrongdoing, including misconduct, fraud, waste, and abuse, in DOL programs. Whistleblowers should never be subjected to, or threatened with, retaliation for having engaged in a protected communication or protected activity. The OIG plays a vital role in ensuring that DOL employees and employees of DOL grantees and contractors are informed of their rights and protections against retaliation for “blowing the whistle.” This work is done by the OIG Whistleblower Protection Coordinator Program, housed in the OIG’s Office of Legal Services.

Pursuant to Section 2 of the Whistleblower Protection Coordination Act of 2018 (S.1869, June 25, 2018), every Inspector General’s office is required to designate a Whistleblower Protection Coordinator. According to Section 2, the Whistleblower Protection Coordinator:

1. educates agency employees about prohibitions against retaliation for protected disclosures;
2. educates agency employees who have made or are contemplating making a protected disclosure about their rights and the remedies against retaliation for protected disclosures, including the means by which employees may seek review of any allegation of reprisal, as well as about the roles of the OIG, the Office of Special Counsel, the Merit Systems Protection Board, and any other relevant entities; and
3. provides general information about the timeliness of such cases, the availability of any alternative dispute mechanisms, and avenues for potential relief. Within the OIG, a Supervisory Associate Counsel to the Inspector General has been designated to serve as the Whistleblower Protection Coordinator.

Pursuant to this designation, the Whistleblower Protection Coordinator has:

- provided input into training that is required to be completed by all DOL employees, entitled “Prohibited Personnel Practices, Whistleblower Protection”;
- provided input into training that is required to be completed by all DOL supervisors and managers entitled “Responding to Whistleblower Retaliation Complaints/Overview of Prohibited Personnel Practices – Annual Training.”
- developed training for new employees titled “Whistleblower Rights and Protections for DOL

OIG Whistleblower Activities

Employees” that is included in all DOL employees’ New Employee Orientation and regularly provides this training live to Solicitor’s Office’s Honors Attorneys;

- updated the DOL-OIG public-facing website titled “Whistleblower Protection Coordinator,” which is available to all DOL and OIG employees, to provide information on whistleblower protections and options for DOL employees and employees of DOL contractors and grantees;
- established a dedicated e-mail address—OIGWhistleblower@oig.dol.gov—to receive and respond to whistleblower-related inquiries from DOL employees and employees of DOL contractors and grantees;
- monitored whistleblower retaliation complaints received by the OIG, as well as whistleblower retaliation investigations conducted by the OIG; and
- conducted training for various agencies within DOL upon request.

Whistleblower Retaliation Investigations

The OIG can initiate its own investigations into allegations of improper or illegal retaliation brought by DOL employees or, on a discretionary basis, refer such allegations to the Office of Special Counsel for review and investigation.

Further, pursuant to 41 U.S.C. § 4712, the OIG is required, with some exceptions, to investigate whistleblower retaliation allegations made by employees of DOL contractors or grantees.

Table 1: Whistleblower Investigations, April 1, 2025 – September 30, 2025

Investigation Type	Number
Pending DOL employee complaint investigations	1
Reports related to DOL employee whistleblower retaliation complaints sent to the appropriate agencies within the Department	0
Grantee/contractor employee complaints closed after preliminary inquiry	1
Pending grantee/contractor employee complaint investigations	8
Reports pending with DOL	2
Decision issued by the DOL Assistant Secretary for Administration and Management in grantee/contractor employee complaints	2



OIG Congressional Testimony

OIG Congressional Testimony

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>.

May 6, 2025 – [House Committee on Education and the Workforce: Subcommittee on Workforce Protections](#)

The OIG provided a statement for the record on “FECA Reform and Oversight: Prioritizing Workers, Protecting Taxpayer Dollars.”



Appendices

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	20-49
Section 5(a)(4)	Identification of the total number of convictions during the reporting period resulting from investigations	99
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	74
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	79
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	101
Section 5(a)(9)	Outstanding peer review recommendations	None to report

Appendices

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	99
Section 5(a) (12)	Metrics used for developing the data for the statistical tables	99
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	60
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	64
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	101

Appendices

Funds Recommended for Better Use

Funds Put to a Better Use Agreed to by DOL ⁵	Number of Reports	Dollar Value (\$ millions)
For which no management decision had been made as of the commencement of the reporting period	2	\$1,392 ⁶
Issued during the reporting period	1	\$21
Subtotal	3	\$1,413
For which a management decision was made during the reporting period:		
• Dollar value of recommendations that were agreed to by management	1	\$100
• Dollar value of recommendations that were not agreed to by management	0	\$0
For which no management decision had been made as of the end of the reporting period	2	\$1,313

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	4	\$73,686 ⁷
For which management or appeal decisions were made during the reporting period	1	\$100
Subtotal	5	\$73,786
For which management decision was made during the reporting period:		
• Dollar value of recommendations that were actually completed		
• Dollar value of recommendations that management has subsequently concluded should not or could not be implemented or completed	0	\$0
For which no final action had been taken by the end of the reporting period	5	\$73,786

5 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.

6 Beginning balance shown differs from the ending balance in the last SAR because of rounding.

7 Beginning balance shown differs from the ending balance in the last SAR because of rounding.

Questioned Costs

Resolution Activity: Questioned Costs ⁸	Number of Reports	Questioned Costs (\$ millions)
For which no management decision had been made as of the commencement of the reporting period (as adjusted)	1	\$105
Issued during the reporting period	3	\$269
Subtotal	4	\$374
For which a management decision was made during the reporting period:		
• Dollar value of disallowed costs		
• Dollar value of costs not disallowed	0	\$0
For which no management decision had been made as of the end of the reporting period	4	\$374
For which no management decision had been made within six months of issuance	1	\$105

Closure Activity: Disallowed Costs ⁹	Number of Reports	Disallowed Costs (\$ millions)
For which final action had not been taken as of the commencement of the reporting period (as adjusted)	5	\$303
For which management or appeal decisions were made during the reporting period	0	\$0
Subtotal	5	\$303
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	2	\$8
• 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	3	\$295

⁸ 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.

⁹ 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 ¹⁰
Employment and Training Administration				
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	\$0	Yes
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	3	\$0	\$0	No
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	0	\$0	\$0	No Response Required
ETA Did Not Ensure ARPA Grants Demonstrated Improvements in Access to Unemployment Benefits; Report No. 19-25-006-03-315; 08/28/25	4	\$2,827,736	\$20,772,490	No
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	0	\$0	\$0	No Response Required
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	\$0	No
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	\$0	No
Total (7 Reports)				

¹⁰ 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

Office of the Chief Financial Officer				
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	3	\$0	\$0	Yes
Total (1 Report)				
Office of Workers' Compensation Programs				
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	0	\$0	\$0	No Response Required
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	0	\$0	\$0	No Response Required
OWCP Has Taken Steps to Address the Backlog of War Hazards Claims; Report No. 23-25-003-04-432; 05/12/25	0	\$0	\$0	No Response Required
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	0	\$0	\$0	No Response Required
Total (4 Reports)				
Wage and Hour Division				
Advisory Report: Review of WHD Efforts to Address Child Labor Law Violation Challenges; Report No. 17-25-001-15-001; 09/30/25	0	\$0	\$0	No Response Required
Total (1 Report)				
Final Audit Total (13 Reports)	25	\$269,192,840	\$20,772,490	

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Other Reports

Report Title; Report Number; Date Issued	Number of Recommendations	Management Decision Made by End of Reporting Period
Employment and Training Programs		
Workforce Innovation and Opportunity Act		
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	0	No Response Required
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	0	No Response Required
Total (2 Reports)		
Other Reports Total (2 Reports)	0	

Appendices

Unresolved Audit Reports Over 6 Months Old

Agency	Report Title; Report Number; Date Issued	Number of Unresolved Recommendations	Questioned Costs (\$)
Agency Management Decision or Grant/Contracting Officer's Final Determination Did Not Resolve; OIG Negotiating with Agency			
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 Delivery Timely Pandemic Unemployment Benefits; Report No. 19-25-002-03-315; 11/22/24	1	\$0
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
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

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Appendices

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 ¹¹	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
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
Total Nonmonetary Recommendations and Questioned Costs		31	\$105,100,000

Agency	Report Title; Report Number; Date Issued	Number of Recommendations	Funds Recommended for Better Use (\$)
Agency Management Decision or Grant/Contracting Officer's Final Determination Did Not Resolve; OIG Negotiating with Agency			
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
Total Funds Recommended for Better Use		1	\$1,292,205,723

Total Audit Exceptions and Questioned Costs	31	\$105,100,000
Total Funds Recommended for Better Use	1	\$1,292,205,723
Total Audit Exceptions, Questioned Costs, and Funds Recommended for Better Use	32	\$1,397,305,723

11 This report contains sensitive information, and content was not posted for public viewing.

Management Decision Made During this Reporting Period on Audits, Inspections, or Evaluations Issued During a Previous Reporting Period: Final Audit Reports Issued

Report Title; Report Number; Date Issued	Number of Recommendations	Questioned Costs (\$)	Funds Put to Better Use (\$)	Management Decision Made on Previously Issued Audits
Employment and Training Administration				
Alert Memorandum: The Employment and Training Administration Needs to Respond to the Risk of States's Untimely Disposal of CARES Act Unemployment Insurance Data and Supporting Records; Report No. 50-25-001-03-315; 10/17/24 ¹²	1	\$0	\$0	Yes
ETA Needs to Improve Oversight of Disaster Dislocated Worker Grants; Report No. 02-25-001-03-391; 10/24/24	8	\$926,513	\$0	Yes
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	4	\$0	\$0	Yes
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	3	\$0	\$0	Yes
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	2	\$0	\$0	Yes

12 This report was omitted in the FY 25 Spring SAR but is being accounted for during this SAR Period. The report contains sensitive information, and content was not posted for public viewing.

Appendices

ETA Can Improve Its Management of the H-2A Program; Report No. 06-25-001-03-321; 02/25/25	4	\$0	\$0	Yes
Total (6 Reports)				
Employee Benefits Security Administration				
EBSA Faced Challenges Enforcing Compliance with Mental Health Parity Laws and Requirements; Report No. 09-25-001-12-001; 02/19/25	5	\$0	\$0	Yes
Total (1 Report)				
Mine Safety and Health Administration				
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 Mine in the Pacific Territories; Report No. 05-25-002-06-001; 11/12/24	11	\$0	\$0	Yes
Total (1 Report)				
Office of the Assistant Secretary for Administration and Management				
FY 2024 FISMA DOL Information Security Report: Continued Improvement of Information System Security Program; Report No. 23-25-002-07-725; 12/10/24	7	\$0	\$0	Yes
U.S. Department of Labor's Purchase and Travel Card Risk Assessed as Very Low and Low, Respectively; Report No. 22-25-004-50-598; 03/25/25	0	\$0	\$0	No Response Required
Total (2 Reports)				
Office of the Assistant Secretary for Policy				
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	\$0	Yes
Total (1 Report)				

Appendices

Office of the Chief Financial Officer				
FY 2024 Independent Auditors' Report on DOL's Consolidated Financial Statements; Report No. 22-25-002-13-001; 11/14/24	3	\$0	\$0	Yes
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	\$0	Yes
Total (2 Reports)				
Office of the Secretary				
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	3	\$0	\$0	Yes
Total (1 Report)				
Office of Workers' Compensation Programs				
Special Report Relating to the Federal Employees' Compensation Act Special Benefit Fund September 30, 2024; Report No. 22-25-001-04-431; 10/31/24	0	\$0	\$0	No Response Required
Total (1 Report)				
Final Audit Total (15 Reports)	66	\$926,513	\$0	

Management Decision Made During this Reporting Period on Audits, Inspections, or Evaluations Issued During a Previous Reporting Period: Other Reports

Report Title; Report Number; Date Issued	Number of Recommendations	Management Decision Made by End of Reporting Period
Employment and Training Programs		
Workforce Innovation and Opportunity Act		
Quality Control Review of the Single Audit of the Commonwealth of Puerto Rico Department of Labor and Human Resources for the Fiscal Year Ended June 30, 2022; Report No. 24-25-001-50-598; 01/17/25	0	No Response Required
Total (1 Report)		
Other Reports Total (1 Report)	0	

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.

MSHA Can Improve How Violations Are Issued, Terminated, Modified, and Vacated; Report No. 05-21-002-06-001; 03/31/21

MSHA inspects mines to ensure they are safe for miners. The Federal Mine Safety and Health Act (Mine Act) gives MSHA the authority to issue notices, safeguards, citations, and orders (“violations” is the blanket term used by MSHA) to mine operators who do not comply with the health and safety standards or the Mine Act. Our audit found thousands of violations written by MSHA inspectors did not comply with the Mine Act and MSHA Citation and Order Writing Handbook requirements. Errors make violations subject to court challenges and inaccurate penalty assessments and can jeopardize miner safety.

In response to our audit, MSHA revised its handbook to clarify situations when multiple safeguards can be issued for a single mine. The updated handbook also requires supervisors to review safeguards for accuracy. In addition, MSHA provided training to its enforcement personnel to help ensure consistent application of its policies for issuing safeguards.

ETA Needs to Improve Oversight of Disaster Dislocated Worker Grants; 02-25-001-03-391; 10/24/24

Under Public Law 116-20, ETA was provided with \$50 million for the dislocated workers assistance National Reserve to address the consequences of multiple natural disasters in 2018 and 2019. Our audit found ETA needs to improve its oversight of the Disaster Dislocated Worker Grants (DWG) program. Specifically, DWG recipients generally did not coordinate with FEMA, and ETA’s failure to facilitate this coordination may have decreased the effectiveness and timeliness of DWG disaster recovery assistance. Additionally, a two-week work stoppage at a subrecipient impacted disaster recovery efforts due to a 41-day grant modification approval process, which was not in compliance with the Office of Management and Budget’s 30-day requirement.

In response to our audit, ETA entered into a Memorandum of Understanding (MOU) with the Department of Homeland Security/FEMA in December 2024. This MOU formally establishes a framework for interagency collaboration, outlining the ways in which they will cooperate to carry out their respective responsibilities to provide disaster information to the public during disaster recovery efforts and ensure the DWG activities are better aligned with FEMA’s disaster response operations.

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Moreover, ETA updated DWG program guidance to implement a new funding approach of awarding DWG in full. This change eliminates the need for incremental funding in most cases and therefore grant recipients no longer need to modify grant agreements to request funding.

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

In April 2024, the OIG received a referral from the Office of Special Counsel alleging MSHA had failed to conduct required inspections of mines in the Pacific Territories and MSHA officials had falsely designated mines in these areas as “abandoned” despite evidence of ongoing and active operations. Our analysis found that MSHA: (1) failed to sufficiently identify its own jurisdiction; (2) never conducted mandatory mine inspections in at least three U.S. territories where mining occurred; and (3) engaged in inappropriate and misleading actions, such as changing mine statuses rather than transparently reporting any issues that have led to the lack of mandatory inspections performed. These three issues resulted in miners in the Pacific Territories, and potentially in other locations, being unnecessarily exposed to unsafe and unhealthy conditions.

In response to our audit, MSHA confirmed that it holds jurisdiction, under the Mine Act, in the Pacific Territories: American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. Accordingly, MSHA updated its jurisdictional statement on the agency’s website to reflect this determination. MSHA also determined that the Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Palau, and the U.S. Minor Outlying Islands do not fall under the jurisdiction of the Mine Act, and as such, MSHA does not have the legal authority to conduct enforcement activities in these locations.

COVID-19: Data Sharing Project Finds Billions Paid to Same Likely Fraudsters Under Both the Unemployment Insurance and Economic Injury Disaster Loan Programs; Report Number 19-25-001-03-315; 12/05/24

The unemployment insurance (UI) and Economic Injury Disaster Loan (EIDL) programs provide eligible people and businesses with needed relief in the face of crises. However, both programs are at risk of ineligible individuals attempting to obtain benefits. In 2020, soon after Congress expanded both programs in response to the adverse economic effects caused by the COVID-19 pandemic, both DOL-OIG and SBA-OIG, respectively began reporting on heightened risks of fraud and found similar fraud indicators.

Our audit found data sharing and matching between ETA and SBA could mitigate the risk of fraudulent UI benefit payments and SBA disbursements. During the pandemic, no data sharing

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mechanism on potential fraud for UI and COVID EIDLs existed between ETA and SBA. If data sharing and matching had existed, the agencies could have conducted a higher level of review by matching applicants across both programs to mitigate fraudulent payments.

In response to our audit, ETA engaged with the Treasury's Bureau of the Fiscal Service, FEMA, and SBA to discuss their data sharing authorities and compliance requirements. The discussions resulted in shared data elements that could be used for cross-matching program data and/or sharing potential and confirmed fraud data in the relevant programs. As a result of the discussions, ETA identified data elements that could support effective cross-matching of shared data elements.

COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New York; 19-25-008-03-391; 09/26/25

From October 2018 to September 2021, ETA awarded approximately \$16 billion to grant recipients in all 50 states, the District of Columbia, and U.S. territories. Of this amount, ETA awarded 77 employment and training grants totaling over \$740 million to New York. During this time, the COVID-19 pandemic created many challenges for ETA job training programs across the nation, such as no access for in-person services and the transition to providing services remotely, which impacted its ability to provide services to the public. Our audit found ETA did not ensure New York State grant recipients and subrecipients utilized grant funds for the intended purposes during the COVID-19 pandemic, resulting in grant recipients and their subrecipients, among other things, not avoiding conflicts of interest in executing the terms of the grant.

In response to our audit fieldwork, ETA took proactive corrective actions even before the audit report was finalized by issuing its first conflict-of-interest policy. Previously, ETA had not established a conflict-of-interest policy to mitigate the risk of grant recipients and its employees operating in a manner that could call into question the impartiality of their actions, judgment, or decision-making. In May 2024, ETA updated its standard grant terms and conditions template for ETA grants to require that all grant recipients and subrecipients of federal assistance maintain a written policy addressing conflicts-of-interest, including organizational conflicts of interest. ETA now requires the recipients' policies to outline the process the grant recipient or subrecipient will follow to identify, avoid, remove, and remedy conflicts of interest.

Unimplemented Recommendations

During this reporting period, we encountered one instance of an audit or evaluation provided to the Department for comment that was not responded to within 60 days. In addition, agencies have provided management decisions in response to all audits and evaluations issued before the commencement of this reporting period.

From October 1, 2014, through March 31, 2025, the OIG made 1,209 audit recommendations, of which 156 have not been fully implemented. These 156 recommendations include 118 recommendations resulting from audits issued since the end of FY 2022, and, in many cases, the corrective action plans are in place.

RECOMMENDATIONS MADE PRIOR TO APRIL 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	20	\$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 ¹³	66 ¹⁴	50	\$0
Total	1,209	156	\$75,478,342,889

¹³ FY 2025 shows data for the first half of the fiscal year (October 1, 2024, to March 31, 2025).

¹⁴ Number of recommendations includes 1 recommendation for a report that was not included in the FY 2025 Spring SAR – Volume 93.

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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)
Employment and Training Programs	
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 access to state UI claimant data 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 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; 9/21/22	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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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	Use data collected from monitoring and 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 state to submit the results of their UI fraud investigations; Work with NASWA to ensure the IDH cross matches are effective at preventing the types of fraud that were detected during the pandemic and regularly update using the results of state fraud investigations.
ETA Did Not Provide Adequate Oversight of Emergency Administrative Grants; Report No. 19-23-006-03-315; 07/27/23	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 \$136,353,568 in questioned costs.
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	Obtain evidence from the states that ensures all 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.
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	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.
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	Work with Oregon, Louisiana, Delaware, and Mississippi to ensure the appropriate return of approximately \$105.1 million in TFFF reimbursements for first-week 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.

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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; Issue guidance to states to address the issue of inconsistent reporting of overpayments involving identity fraud; 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>Establish a policy that requires evaluation criteria or standards to be used to ensure grant applications include evidence of a specific issue prior to awarding a grant intended to address said issue; 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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Worker Safety	
MSHA Needs to Provide Better Oversight of Emergency Response Plans; Report No. 05-17-002-06-001; 03/31/17	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.
MSHA Needs to Improve Efforts to Protect Coal Miners from Respirable Crystalline Silica; Report No. 05-21-001-06-001; 11/12/20	Enhance its sampling program to increase the frequency of inspector samples where needed (e.g., by implementing a risk-based approach).
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 Number: 05-25-002-06-001; 11/12/24	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.
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	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.
OSHA Needs to Better Address Complaints and Referrals for Increased Worker Safety; Report No. 02-23-001-10-105; 03/06/23	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.
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	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.

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Employee Benefits	
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	Reduce or eliminate exemption thresholds for small plans.
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	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.
Departmental Management	
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	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.
DOL's IT Governance Lacked the Framework Necessary to Support the Overall Mission; Report No. 23-21-002-01-001; 09/30/21	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.
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	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.
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	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; Send an email to all DOL employees providing the required anti-gag language and informing all DOL employees that such language should be read as incorporated into any nondisclosure agreement (an agreement requiring an employee not to disclose certain governmental information) they may have signed since November 27, 2012, that did not include the required language; Revise all existing nondisclosure agreement forms or templates to include the required anti-gag language.

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 (\$)
Employment and Training Administration		
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.	1	\$5,409,966,198
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.	1	\$33,745,677,576
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 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).	1	\$29,581,490,253
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 Establish effective controls, in collaboration with State Workforce Agencies, to mitigate fraud and other improper payments to ineligible claimants in high-risk age categories.	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.¹⁵</p>	<p>1</p>	<p>\$4,948,811,006</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.</p>	<p>1</p>	<p>\$100,098,923</p>
Total	6	\$75,078,249,679

15 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 \$4,475,268,3494. 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, 2025). For identification of each recommendation made before March 31, 2025, visit our online [Recommendation Dashboard](#).

Report Title; Report Number; Date Issued	Number of Unimplemented Recommendations	Unimplemented or Disallowed Costs Owed
Bureau of Labor Statistics		
BLS Could Do More to Identify Data Limitations and Increase Transparency; Report No. 17-24-001-11-001; 10/26/23	2	\$0
Employee Benefits Security Administration		
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
Employment and Training Administration		
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
COVID-19: States Struggled to Implement CARES Act Unemployment Insurance Programs; Report No. 19-21-004-03-315; 05/28/21	1	\$0

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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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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	3	\$0
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	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	4	\$0
Mine Safety and Health Administration		
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
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
Office of the Assistant Secretary for Administration and Management		
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

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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	3	\$0
Office of the Chief Financial Officer		
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
Office of Labor-Management Standards		
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
Office of the Secretary		
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
Occupational Safety and Health Administration		
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	2	\$0

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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
Wage and Hour Division		
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
Totals	150	\$400,093,210

Appendices

Investigative Statistics

	Division Totals	Total
Investigative Reports Issued / Cases Closed (includes investigative reports issued, case closing reports, and matters referred for possible civil and/or administrative action):		169
Program Fraud	154	
Labor Racketeering	15	
Cases Opened:		117
Program Fraud	105	
Labor Racketeering	12	
Cases Referred for Prosecution (each case is measured as a singular statistic and may include more than one person or business entity):		92
Program Fraud	83	
Labor Racketeering	9	
Cases Referred for Administrative/Civil Action (each case is measured as a singular statistic and may include more than one person or business entity):		67
Program Fraud	63	
Labor Racketeering	4	
Persons Referred to the Department of Justice for Criminal Prosecution (includes the number of individuals and business entities referred for prosecution):		98
Program Fraud	90	
Labor Racketeering	8	
Persons Referred to State and Local Prosecuting Authorities for Criminal Prosecution (includes the number of individuals and business entities referred for prosecution):		11
Program Fraud	7	
Labor Racketeering	4	
Indictments and Criminal Informations That Resulted from Any Prior Referral to Prosecuting Authorities (includes sealed and unsealed indictments):		300
Program Fraud	279	
Labor Racketeering	21	
Indictments (includes sealed and unsealed indictments):		300
Program Fraud	279	
Labor Racketeering	21	
Convictions:		196
Program Fraud	178	
Labor Racketeering	18	
Statutory Debarments:		2
Program Fraud	0	
Labor Racketeering	2	

continued on next page

Appendices

Recoveries, Cost-Efficiencies, Restitutions, Fines/Penalties, Forfeitures, and Civil Monetary Actions:		\$671,575,809.22
Program Fraud Labor Racketeering	\$670,908,896.95 \$666,912.27	

Recoveries (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):	\$521,640,580.11
Cost-Efficiencies (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):	\$3,200,454.96
Restitutions/Forfeitures (the dollar amount/value of restitutions and forfeitures resulting from OIG criminal investigations):	\$141,784,029.50
Fines/Penalties (the dollar amount/value of fines, assessments, seizures, investigative/court costs, and other penalties resulting from OIG criminal investigations):	0.00
Civil Monetary Actions (the dollar amount/value of forfeitures, settlements, damages, judgments, court costs, and other penalties resulting from OIG criminal investigations):	\$4,950,744.65
Total	\$671,575,809.22

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 Office Inspector General Audit Organization

DOL-OIG conducted a peer review of the Office of Personnel Management Office of Inspector General 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 the 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 Federal Housing Finance Agency OIG conducted an external peer review to assess the extent to which the DOL-OIG met seven standards in the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) Quality Standards for Inspection and Evaluation (Blue Book), issued January 2012. The peer review report, issued on April 25, 2023, concluded that the DOL-OIG's policies and procedures and the three reviewed reports were consistent with and complied with the covered Blue Book standards for the period ended September 30, 2022. The report contained no recommendations.

Peer Review of DOL-OIG Audit Function

The Small Business Administration 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."

Appendices

Peer Review of DOL-OIG Investigative Function

The 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 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

The 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.

Appendices

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 April 1, 2025, through September 30, 2025, a total of 1,640 complaints were opened in the OIG Hotline's complaint management system.

Complaints Received (complaints opened by method reported):		Totals
Telephone		0
E-mail/Internet		1,537
Mail		103
Fax		0
Walk-In		0
Total		1,640

Contacts Received (complaints opened by source):		Totals
Complaints from Individuals or Non-Governmental Organizations		1,092
Complaints/Inquiries from Congress		2
Referrals from GAO		9
Complaints from Other DOL Agencies		1
Complaints from Other (non-DOL) Government Agencies		536
Total		1,640

Disposition of Complaints Reviewed and Processed:		Totals
Referred to OIG Components for Further Review and/or Action		143
Referred to DOL Program Management for Further Review and/or Action		186
Referred to Non-DOL Agencies/Organizations		72
No Referral Required/Informational Contact		607
Total		1,008

Acronyms and Abbreviations

ARPA	American Rescue Plan Act of 2021	ETA	Employment and Training Administration	IRS	Internal Revenue Service
BLS	Bureau of Labor Statistics	FBI	Federal Bureau of Investigation	Key	Key & Associates, P.C.
CARES Act	Coronavirus Aid, Relief, and Economic Security Act	FECA	Federal Employees' Compensation Act	KPMG	KPMG LLP
CIGIE	Council of the Inspectors General on Integrity and Efficiency	FEMA	Federal Emergency Management Agency	MEUC	Mixed Earners Unemployment Compensation
Continued Assistance Act	Continued Assistance for Unemployed Workers Act of 2020	FISMA	Federal Information Security Management	MOU	Memorandum of Understanding
DCCA Special Fund	The District of Columbia Workmen's Compensation Act of 1928 Special Fund	FLC	Foreign Labor Certification	MSHA	Mine Safety and Health Administration
DEA	Drug Enforcement Administration	FLSA	Fair Labor Standards Act	MUIA	Michigan Unemployment Insurance Agency
Department or DOL	U.S. Department of Labor	FPUC	Federal Pandemic Unemployment Compensation	NASWA	National Association of State Workforce Agencies
DHS	U.S. Department of Homeland Security	FSUI	Federal State Unemployment Insurance	OASAM	Office of the Assistant Secretary for Administration and Management
DOJ	U.S. Department of Justice	FY	Fiscal Year/fiscal year	OIG	Office of Inspector General
DWG	Dislocated Worker Grants	H-1B	visa program for workers in specialty occupations	OLMS	Office of Labor-Management Standards
EBSA	Employee Benefits Security Administration	H-2A	visa program for agricultural workers	OMB	Office of Management and Budget
EDD	Employment Development Department	H-2B	visa program for non-agricultural workers	OPM	Office of Personnel Management
EIDL	Economic Injury Disaster Loan	HHS	U.S. Department of Health and Human Services	OSHA	Occupational Safety and Health Administration
Energy	Energy Employees Occupational Illness Compensation Program	HSI	Homeland Security Investigations	OWCP	Office of Workers' Compensation Programs
ERISA	Employee Retirement Income Security Act of 1974	ICE	Immigration and Customs Enforcement	PERM	permanent employment certification program
		IDH	Integrity Data Hub	PEUC	Pandemic Emergency Unemployment Compensation
		iFECS	Integrated Employees' Compensation System		

Appendices

PFEI	Principal Federal Economic Indicators	SPFPA	International Union, Security, Police and Fire Professionals of America	UI	unemployment insurance
PII	personally identifiable information	SSA	Social Security Administration	UNOI	United Nation of Islam
PIIA	Payment Integrity Information Act of 2019	SSN	Social Security number	USPIS	United States Postal Inspection Service
PUA	Pandemic Unemployment Assistance	SWA	State Workforce Agency	USPS	United States Postal Service
PPP	Paycheck Protection Program	TFFF	Temporary Full Federal Funding of the First Week of Compensable Regular Unemployment for States with No Waiting Week	VA	U.S. Department of Veterans Affairs
Regis	Regis & Associates, P.C.	Treasury	U.S. Department of the Treasury	VEC	Virginia Employment Commission
QCR	Quality Control Reviews			WHD	Wage and Hour Division
RRB	Railroad Retirement Board			WIOA	Workforce Innovation and Opportunity Act
SBA	Small Business Administration				

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