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NGA - NASWA response to Senator Burr's request

August 01, 2021

The Honorable Richard Burr
Ranking Member
Committee on Health, Education, Labor and Pensions (HELP)
United States Senate
428 Senate Dirksen Office Building
Washington, DC 20510

Dear Ranking Member Burr:

Thank you for your letter to states regarding unemployment insurance on July 6, 2021. To provide capacity to states as they continue to respond to fraud and elevated unemployment claims, the National Governors Association (NGA) and the National Association of State Workforce Agencies (NASWA) are responding on behalf of collective states.

In March 2021, NGA and NASWA wrote in a letter to the U.S. Department of Labor (DOL): “State employment systems are under attack by sophisticated international and domestic organized fraud schemes, including bot attacks. [...] Fraud committed at this level and frequency requires a robust, coordinated federal response.” In that letter, both NGA and NASWA requested the establishment of an interagency fraud task force to assist with fighting unemployment insurance fraud. An organized and coordinated task force would be a first step to aid the tremendous work of states and NASWA’s Unemployment Insurance Integrity Center in chipping away at the historic coordinated fraud attacks that have besieged our national unemployment system.

States look forward to receiving their share of the \$2 billion infusion of funding provided in the American Rescue Plan Act to modernize information technology systems and combat fraud. It is desperately needed as a down payment to begin recovering from the historic levels of unemployment and subsequent fraud that states have largely been left to deal with on their own.

Domestic and international fraud schemes continue. That fraud will not be meaningfully addressed with safeguards against future fraudulent activity until Congress finally commits to fulfilling the federal government’s role of the state-federal partnership by providing sustained funding for unemployment information technology modernization and maintenance.

Unemployment claims totaled over 500 times more in 2020 than in 2019. On their own, states have worked to limit fraud attacks and recover unprecedented amounts of improper payments and are now waiting for DOL to marshal the resources provided in the American Recovery Plan Act. States have also prioritized addressing fraud while fully complying with significant data collections and audits from the DOL Inspector General.

Our organizations look forward to working with Congress to secure adequate and sustained federal appropriations for the unemployment insurance program in the future. We also urge Congress to prioritize the next critical step in economic recovery from the pandemic: workforce development.

Sincerely,

Bill McBride, Executive Director
The National Governors Association

Scott B. Sanders, President and CEO
The National Association of State Workforce Agencies

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