



CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

Arrington, Bergman Investigate Mismanagement of Pandemic-Era Unemployment Insurance

WASHINGTON, D.C. – Today, House Budget Committee Chairman Jodey Arrington (R-TX) and the entire Oversight Task Force, led by Rep. Jack Bergman (R-MI), sent an investigative [letter](#) to the Department of Labor (DOL) and the agency’s Office of Inspector General (OIG) outlining concerns around the [OIG’s report](#) on the mismanagement of pandemic Unemployment Insurance (UI) funds.

Background:

Originally authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, enhanced UI spending was intended to ease the burden of unemployment issues at the onset of the COVID-19 pandemic. However, even after Congressional Democrats pushed through [\\$2 billion in UI fraud prevention](#) through the partisan American Rescue Plan, UI programs continue to face **prevalent waste, abuse, and mismanagement**.

According to recent DOL OIG data:

- There are still approximately **166,000 open UI fraud complaints** still being reviewed, marking a “thousandfold increase” in the sheer volume of UI services and
- UI investigations now make up approximately **97 percent of OIG cases** compared to approximately 11 percent pre-pandemic.

As the DOL-OIG report detailed:

- The Temporary Full Funding for the First Week of Compensable Regular Unemployment for States with No Waiting Period (TFFF) program reimbursed states for the first week of UI benefits if they waived the one-week waiting period.
- The DOL-OIG’s report revealed that nearly **\$5 billion (40 percent)** of funding to states within the TFFF program remain unused as of July 31, 2023 – **two years after** the benefit eligibility period expired.



- Further, the audit found that four states accessed TFFF funds despite *not* meeting program eligibility requirements, granting them access to **\$105.1 million** in federal tax dollars.
- The report also uncovered that the Employment and Training Administration (ETA)—the body tasked with overseeing the management of the TFFF program—was **unable to institute sufficient controls to track and authenticate TFFF expenditures** despite receiving *multiple warnings* early on and *receiving billions* in ARP funding to ensure program integrity.

House Republicans Respond:

House Budget Committee Republicans remain dedicated to ensuring **federal funds appropriated by Congress are used appropriately, effectively, and in a manner as transparent as possible.**

Responding to the clear mismanagement of the TFFF program, Oversight Task Force lawmakers requested:

- A complete and detailed description of program integrity measures the ETA is considering for the UI system.
- A complete and detailed explanation of how states were able to draw excess funds from the FUA and clarification on actions the ETA is taking to prevent similar inadequate oversight in its other UI programs.
- A complete and detailed explanation on how the DOL will ensure the return of TFFF funds paid to states that were non-compliant with eligibility requirements, and policies to ensure that funds for related UI programs are not distributed to ineligible states.
- Confirmation that the DOL is in the process of implementing the agreed-upon and revised recommendations found in the audit report and any further details or timelines regarding implementation.

The Oversight Task Force was [unveiled](#) on 10/13/23 and aims to ensure that taxpayer money is being spent on integral issues that help the nation prosper and move toward a path of stronger fiscal standing;



Task Force members include:

- Rep. Jack Bergman (R-MI) *Task Force Chair*
- Rep. Tom McClintock (R-CA)
- Rep. Ron Estes (R-KS)
- Rep. Lisa McClain (R-MI)
- Rep. Chuck Edwards (R-NC)
- Chairman Jodey Arrington (R-TX) *Ex Officio*

Click [HERE](#) to read the full letter.

Click [HERE](#) for the Oversight Task Force whistleblower portal.

Click [HERE](#) to submit oversight matters or relevant information to the Oversight Task Force.

