



Pandemic Unemployment Fraud Enforcement Act (H.R. 1156)

Background:

- The statute of limitations for prosecuting fraud in COVID-era pandemic unemployment insurance (UI) programs **expires on March 27, 2025**. After this date, Congress cannot retroactively change the statute of limitations on criminal prosecutions.
- Legislation is needed to extend the statute of limitations to enable federal law enforcement agencies to pursue billions in fraudulent payments.
- **Failure to pass legislation prior to the March 27th deadline will result in criminals going unpunished and forgoing recovery of billions** in taxpayer dollars:
 - The Government Accountability Office (GAO) has estimated as much as \$100-\$135 billion in UI benefits were lost to fraud during the pandemic. **Only \$5 billion has been recovered, or less than 4%**.
 - According to the COVID-19 Fraud Enforcement Task Force, 600 criminal UI fraud cases have been charged with associated losses of over \$300 million. In addition, the agency has **1,648 open, uncharged criminal matters**.
 - The Labor Department has reported 157,000 UI fraud hotline complaints and more than **1,000 open field investigations**.
- In 2022, Congress extended the statute of limitations for fraud in the Paycheck Protection Program and Economic Injury and Disaster Loans to 10 years.

The Pandemic Unemployment Fraud Enforcement Act:

- H.R. 1156 would extend the statute of limitations for criminal prosecution and civil enforcement actions in pandemic unemployment programs from 5 to 10 years to hold fraudsters accountable and recover taxpayer dollars.
- The Congressional Budget Office (CBO) estimates that states will incur additional costs for recordkeeping and administration as a result of extending the statute of limitations. Such costs are fully reimbursable under the CARES Act. H.R. 1156 offsets this by rescinding \$5 million in unobligated prior year funds made available to Department of Labor for fraud prevention.

Endorsed by:

The National Association of State Workforce Agencies (NASWA). In addition, the Department of Justice COVID-19 Fraud Enforcement Taskforce, Pandemic Response Accountability Committee, GAO, and the Department of Labor Inspector General have all recommended extending the statute of limitations for COVID-era UI fraud.