



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

Background:

- The statute of limitations for prosecuting fraud in COVID-era pandemic unemployment insurance (UI) programs starts to **expire 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 to continue pursuing more than \$100 billion in fraudulent UI payments.
- **Failure to extend the statute of limitations 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 Department of Justice has **1,648 open, uncharged criminal matters**.
 - The Labor Department has reported 157,000 UI fraud hotline complaints and more than **1,000 open current field investigations**.
- In 2022, Congress similarly 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):

- Extends 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 estimates that states will incur additional administrative costs for recordkeeping as a result of extending the statute of limitations. H.R. 1156 offsets this by rescinding **\$5 million** in unobligated prior year funds made available to the Department of Labor for fraud prevention.

Recommended by:

Department of Justice COVID-19 Fraud Enforcement Taskforce, Pandemic Response Accountability Committee, GAO, Department of Labor Inspector General, Unemployment & Workers' Compensation business coalition, and the National Association of State Workforce Agencies, a non-partisan association representing all 50 States, D.C., and U.S. territories.