

AFL-CIO

LEGISLATIVE ALERT

May 9, 2023

Dear Representative:

On behalf of the 12.5 million members of the AFL-CIO, including the thousands of public sector workers who administer our state unemployment insurance systems, and the millions of other workers eligible for unemployment insurance in the event of job loss, I urge you to oppose H.R. 1163, the Protecting Taxpayers and Victims of Unemployment Fraud Act. This legislation is not only unnecessary but also potentially harmful to our state unemployment insurance systems.

The American Rescue Plan Act (ARPA) already included \$2 billion in funding to address fraud and promote access and timely payment of state unemployment compensation programs. Less than two years later, the sponsors of H.R. 1163 would reverse course, undermining the ongoing efforts of states to improve their unemployment systems and strengthen anti-fraud measures.

During the COVID-19 pandemic, state employees provided unemployment benefits to millions of eligible workers. These payments benefitted the recipients, as well as the local communities where the money was spent. The Employment Service workforce provided stability and institutional knowledge that kept state unemployment programs on track—particularly in cases where states used inexperienced temporary staff or private contractors with no familiarity with the operation of unemployment insurance programs. Despite the need to maintain an experienced merit-based workforce to provide UI benefits, H.R. 1163 would suspend for seven years the requirement that states use merit-based public employees to staff their UI programs.

H.R. 1163 also extends from three to ten years the period in which states can recover all pandemic unemployment overpayments—even if the mistake was not the claimant's fault. A mistake in administering a program is not fraud committed by a claimant. Rather than directing resources to identify and hold accountable any individual who intentionally stole money from workers hard-hit by the COVID-19 pandemic, as documented by the Department of Labor Office of Inspector General earlier this year, H.R. 1163 puts workers at financial risk for up to a decade for mistakes that were not of their own making and may be unknown to them.

I urge you to oppose HR 1163, the Protecting Taxpayers and Victims of Unemployment Fraud Act.

Sincerely,



William Samuel
Director, Government Affairs