

LOUISIANA WORKFORCE COMMISSION

STATE OF LOUISIANA

INVESTIGATIVE AUDIT SERVICES

Issued December 15, 2022

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December 15, 2022

AVA CATES, SECRETARY
LOUISIANA WORKFORCE COMMISSION
Baton Rouge, Louisiana

We are providing this report for your information and use. This investigative audit was performed in accordance with Louisiana Revised Statutes 24:513, *et seq.* to determine the validity of complaints we received.

The procedures we performed primarily consisted of making inquiries and examining selected financial records and other documents and do not constitute an examination or review in accordance with generally accepted auditing or attestation standards. Consequently, we provide no opinion, attestation, or other form of assurance with respect to the information upon which our work was based.

The accompanying report presents our findings and recommendations, as well as management's response. This is a public report. Copies of this report have been delivered to the District Attorney for the 19th Judicial District of Louisiana, the District Attorney for the 24th Judicial District of Louisiana, the District Attorney for the Orleans Judicial District, and others, as required by law.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW:aa

LWC 50210010



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EXECUTIVE SUMMARY

Claimants Received Unemployment Benefits for Multiple Individuals

From May 15, 2020 to October 14, 2020, the Louisiana Workforce Commission (LWC) issued Pandemic unemployment benefits totaling \$151,907 for 49 separate claims that appear to have been fabricated. The majority of the claimants' names and Social Security numbers did not correspond to a Louisiana driver's license/identification card, and no Louisiana wages had been reported for the majority of these claimants. LWC records show that these claimants used the same and/or similar mailing addresses and that their LWC accounts were accessed from the same Internet Protocol (IP) addresses to change their names, contact information, and bank account information. We found that 43 of the claimants' LWC accounts were accessed within minutes of each other from the same IP address A.B. used to direct \$53,099 in benefits to at least two bank accounts held by A.B.'s family members. In addition, we found that 25 claimants received benefits totaling \$79,891 on debit cards that were used to withdraw cash at the same locations and times when A.B.'s debit card was used to withdraw cash. By receiving unemployment benefits on behalf of other individuals, A.B. and others may have violated state law.

PURSUANT TO SECTIONS 303(A)(1) AND 303(A)(8) OF THE SOCIAL SECURITY ACT, NAMES OF UNEMPLOYMENT COMPENSATION RECIPIENTS ARE TO BE HELD CONFIDENTIAL. THESE NAMES ARE IN OUR AUDIT WORK PAPERS, WHICH ARE NOT SUBJECT TO PUBLIC REVIEW. THROUGHOUT THE REPORT, WE HAVE USED ALPHABETIC INDICATORS IN THE PLACE OF RECIPIENTS' NAMES.

BACKGROUND AND METHODOLOGY

Following the mass unemployment of the Great Depression, the U.S. Congress passed the Social Security Act of 1935. The Act provided an inducement for states with an unemployment compensation law that met certain requirements. The Louisiana Legislature reacted quickly to the federal inducement and passed Louisiana's first unemployment compensation law in 1936.

Today, the Louisiana Workforce Commission (LWC) administers unemployment insurance (UI) benefits pursuant to the Louisiana Employment Security Law (La. R.S. 23:1471, *et seq.*) which provides workers whose jobs have been terminated, through no fault of their own, monetary payments for a set period of time or until they find new employment. The federal Coronavirus Aid, Relief, and Economic Security Act (H.R. 748, CARES Act, Public Law 116-136) (CARES Act) was signed into law on March 27, 2020. The CARES Act expanded Louisiana's ability to provide unemployment insurance benefits for many workers adversely impacted by the COVID-19 pandemic.

Under the CARES Act, Louisiana claimants eligible for regular UI benefits are also entitled to Federal Pandemic Unemployment Compensation (FPUC), an emergency program established by the CARES Act to increase unemployment benefits by \$600 per week. The CARES Act also established the Pandemic Unemployment Assistance (PUA) to provide unemployment compensation for Louisiana claimants not eligible for regular UI benefits (e.g., self-employed persons, independent contractors, gig economy workers, workers with a limited work history, etc.). Claimants that qualified for PUA benefits were entitled to the \$600 weekly FPUC benefits under the CARES Act.

The Louisiana Legislative Auditor (LLA) used LWC unemployment data to identify multiple claimants that received unemployment benefits using the same bank accounts. This information showed that the same 43 claimants used one or more of the bank accounts held by family members of A.B. LLA initiated this investigative audit to determine if A.B. and others improperly received unemployment benefits on behalf of other claimants.

The procedures performed during this audit included:

- (1) interviewing LWC employees and officials;
- (2) interviewing other persons, as appropriate;
- (3) examining selected LWC documents and records;
- (4) gathering and examining external parties' documents and records; and
- (5) reviewing applicable state and federal laws and regulations.

FINDING AND RECOMMENDATIONS

Claimants Received Unemployment Benefits for Multiple Individuals

From May 15, 2020 to October 14, 2020, the Louisiana Workforce Commission (LWC) issued Pandemic unemployment benefits totaling \$151,907 for 49 separate claims that appear to have been fabricated. The majority of the claimants' names and Social Security numbers did not correspond to a Louisiana driver's license/identification card, and no Louisiana wages had been reported for the majority of these claimants. LWC records show that these claimants used the same and/or similar mailing addresses and that their LWC accounts were accessed from the same Internet Protocol (IP) addresses to change their names, contact information, and bank account information. We found that 43 of the claimants' LWC accounts were accessed within minutes of each other from the same IP address A.B. used to direct \$53,099 in benefits to at least two bank accounts held by A.B.'s family members. In addition, we found that 25 claimants received benefits totaling \$79,891 on debit cards that were used to withdraw cash at the same locations and times when A.B.'s debit card was used to withdraw cash. By receiving unemployment benefits on behalf of other individuals, A.B. and others may have violated state law.^{1,2,3,4,5,6}

LWC administers unemployment insurance (UI) benefits pursuant to the Louisiana Employment Security Law (La. R.S. 23:1471, *et seq.*). The federal Coronavirus Aid, Relief, and Economic Security Act (H.R. 748, CARES Act, Public Law 116-136) (CARES Act) was signed into law on March 27, 2020. The CARES Act expanded Louisiana's ability to provide UI benefits for many workers adversely impacted by the COVID-19 pandemic. Under the CARES Act, Louisiana claimants eligible for regular UI benefits are also entitled to Federal Pandemic Unemployment Compensation (FPUC), an emergency program established by the CARES Act to increase unemployment benefits by \$600 per week. The CARES Act also established the Pandemic Unemployment Assistance (PUA) to provide unemployment compensation for Louisiana claimants not eligible for regular UI benefits (e.g., self-employed persons, independent contractors, gig economy workers, workers with a limited work history, etc.). Claimants that qualified for PUA benefits were entitled to the \$600 weekly FPUC benefits under the CARES Act.

Applicants for unemployment benefits can create an account and apply for benefits using LWC's online HIRE application. Applicants are required to provide their employment status; former employers; dates of employment for their former employers; the date of layoff, termination, or separation from their former employer; and whether they are able to work and currently seeking employment. Each applicant is required to respond positively to an agreement indicating they certify that the information provided in their claim is true to the best of their

knowledge, and they understand that giving false information can be penalized as perjury. Once eligible for benefits, the applicant must access the applicant's HIRE account weekly to certify that they are able to work, seeking work, would accept work if they were offered a job, and to report all earnings for that week. UI benefits are reduced by the amount of earnings reported, and if the weekly earnings exceed the weekly UI benefit, the applicant is ineligible to receive UI and FPUC benefits for that week. Eligible applicants have the option of receiving their weekly benefits deposited directly to their bank account or loaded onto a debit card issued by the state's third-party debit card provider, US Bank.

During our audit, we used LWC data to identify multiple claimants that received unemployment benefits using the same bank accounts. LWC data showed that 43 claimants used one or more of the same five bank accounts to receive unemployment benefits totaling \$72,016. We found: the names and Social Security numbers for the majority of these claims did not correspond to a Louisiana driver's license/identification card; no Louisiana wages had been reported for a majority of these claimants; and at least four of the Social Security numbers associated with these claimants had a death certificate on file with the Office of Vital Statistics. Further, several of these claimants used the same and/or similar mailing addresses and accessed their LWC accounts from the same IP addresses within minutes of each other to change their names, contact information, and bank account information. LWC records show that 19 of these claimants, as well as six other claimants with similar names and addresses, also received unemployment benefits totaling \$79,891 loaded onto debit cards issued by US Bank. These 49 claimants received benefits (via direct deposit and debit card) totaling \$151,907 from May 15, 2020 to October 14, 2020.

We searched LWC's database to identify additional claimants who used the same mailing addresses, IP addresses, and bank accounts as the 49 claimants mentioned above. We found that C.D. filed an unemployment application on March 19, 2020, and was the first claimant to have benefits direct deposited to one of the common bank accounts. In addition, LWC records show that C.D.'s brother, A.B., submitted an unemployment application on April 9, 2020, and consistently accessed his LWC account from the same IP address as the other claimants. Records obtained from the Internet Service Provider (ISP) showed that A.B.'s girlfriend was the registered subscriber of the common IP address. This IP address was also used to access other claimants' LWC accounts and divert benefits totaling \$53,099 to bank accounts held by A.B.'s sister, C.D., and A.B.'s cousin, E.F. In addition, US Bank records show that the debit cards issued to several of these claimants were used to withdraw cash totaling \$74,475 at the same locations and times when A.B.'s debit card was used to withdraw cash.

Claimants' Benefits Deposited to the Same Bank Accounts

According to LWC records, at least 43 claimants filed unemployment applications from April 30, 2020 to June 25, 2020, using the same or similar mailing addresses and the same IP addresses to access their LWC accounts. Although several of these claimants initially received their benefits on debit cards,

LWC records show that the 43 claimants began accessing their LWC accounts (at similar times and from the same IP addresses) in September 2020 to change their benefit payment method from debit card to direct deposit and have their benefits direct deposited into one or more of five common bank accounts. During the same period, each of these claimants' LWC accounts were accessed from the same IP address to submit Social Security cards and Louisiana driver's licenses/identification cards that did not correspond to the claimants. We found one Social Security card (name and number were scratched out) was submitted for 36 of the claimants, and the same 15 drivers' licenses/identification cards were submitted multiple times. Examples of these transactions are provided below.

- On September 3, 2020, six of the claimants' LWC accounts were accessed from the same IP address (beginning at 7:00 p.m. and ending at 7:56 p.m.) to change their benefit payment method from debit card to direct deposit using the same account at Bank #1. Eventually, all 43 of the claimants' LWC accounts were accessed to have benefits direct deposited into this bank account. From September 4, 2020 to October 8, 2020, benefits totaling \$43,419 were deposited to this bank account on behalf of all 43 claimants. Records obtained from Bank #1 show that A.B.'s cousin, E.F., was the account holder and only signatory on the account during this period. LWC records show that E.F. submitted an unemployment application on April 9, 2020, and received benefits totaling \$12,270 (\$13,380 less taxes withheld) which were also direct deposited to this bank account.
- On September 4, 2020, 16 of the claimant's LWC accounts were accessed from the same IP address (beginning at 3:54 a.m. and ending at 5:01 a.m.) to submit Social Security cards and Louisiana driver's licenses/identification cards. None of the driver's licenses/identification cards matched the names associated with the claimants, and the same Social Security card (name and number were scratched out) was submitted for all 16 claimants.
- On September 5, 2020, 10 of the claimants' LWC accounts were accessed from the same IP address (beginning at 3:33 a.m. and ending at 4:11 a.m.) to change their benefit payment method from debit card to direct deposit using the same account at Bank #2. LWC and bank records show that benefits totaling \$11,312 were deposited to this account on behalf of these 10 claimants from September 8, 2020 to September 28, 2020. Records obtained from Bank #2 suggest that the account holder is an unrelated party. We spoke with the account holder who told us she lived at one of the common addresses used by several of the claimants and that her bank information may have been obtained while she lived there. The account holder also stated that Bank #2 froze her account after the benefits were deposited and reversed the transactions. According to LWC records, the account holder applied for unemployment benefits on June 28,

2020, and requested that her benefits be direct deposited to a different bank account.

- On September 5, 2020, 19 of the claimants' LWC accounts were accessed from the same IP address (beginning at 3:38 a.m. and ending at 4:55 a.m.) to submit Social Security cards and Louisiana driver's licenses/identification cards. None of the driver's licenses/identification cards matched the names associated with the claimants, and the same Social Security card (name and number were scratched out) was submitted for all 19 claimants.
- From September 5, 2020 to September 10, 2020, 30 of the claimants' LWC accounts were accessed to either change their benefit payment method from debit card to direct deposit or change their direct deposit bank account to the same account at Bank #3. Benefits totaling \$9,680 were deposited to this bank account on behalf of these 30 claimants. Records from Bank #3 show that A.B.'s sister, C.D., was the account holder and only signatory on this account. According to LWC records, C.D. applied for unemployment on March 19, 2020, and requested that her benefits be direct deposited to this bank account. From April 20, 2020 to September 29, 2020, LWC deposited benefits totaling \$17,693 into this account on behalf of C.D.

Benefits for these claimants were discontinued as of October 10, 2020. LWC records show that each claimant's LWC account was accessed from the same IP address on October 14, 2020, to change each claimant's name to the same name. Because these claimants all used the same name, LWC issued IRS Form 1099-Gs to each claimant using the same name (but with different addresses and Social Security numbers) on January 27, 2021. Three days later, each claimants' LWC account was accessed from the same IP address (beginning at 5:33 p.m. and ending at 7:43 p.m.) to change each claimant's name from the common name to a different name (for each claimant) that did not match the claimant's original name.

According to LWC records, the first of the 43 claimants to apply for benefits requested a user name (within the HIRE system) that was similar to E.F.'s name and listed a Slidell, LA address used by at least six of the claimants. During the next several days, this claimant's LWC account was accessed to change his contact information and his mailing address to an address used by both A.B. and E.F. We found that this claimant and A.B. began accessing their claims from the same IP address on May 7, 2020, before any of the other claimants applied for benefits. This was the same IP address used by the 43 claimants to change their names, benefit payment methods, bank account information, and submit Social Security cards and driver's licenses/identification cards (see previous paragraphs). Records obtained from the ISP for this IP address show that the account was registered to A.B.'s girlfriend, G.H., with a service address in Slidell, LA (matching several of the 43 claimants including the first claimant noted above) from May 4, 2020 to October 29, 2020.

C.D. told us that her brother, A.B., asked to use her bank account to receive his own benefits and that she provided him with the account and routing numbers. C.D. stated that her account received multiple LWC deposits on the same date and she assumed that her brother received several weeks' worth of benefits, in individual deposits, on the same day. Bank records show that LWC made 10 separate deposits totaling \$6,604 to C.D.'s account on September 9, 2020, and 30 separate deposits totaling \$3,210 on September 29, 2020. C.D. said when the deposits hit her account, she withdrew the funds and gave them to her brother. C.D. also told us her brother was staying with his girlfriend, G.H., in Slidell, LA during this time. We spoke with G.H., who confirmed that she lived at the Slidell, LA address mentioned above, but stated that she did not know A.B. When asked about the IP address associated with her address and her LWC account, G.H. ended the call. We attempted to call G.H. back, but were unable to reach her.

E.F. told us that A.B. is his cousin and that he was unaware other claimants' benefits were deposited to his bank account. E.F. stated that he did not receive or use any LWC benefits other than his own, and that his account was eventually closed by the bank. E.F.'s bank records show he had an account balance of \$85 before LWC deposited \$14,358 in benefits for himself (\$1,632) and other individuals (\$12,726) on September 8, 2020. The following day, E.F. appears to have signed and cashed a counter check payable to himself in the amount of \$4,600. Bank records show that a majority of the remaining LWC benefits deposited to this account were either withdrawn at ATMs or transferred out using CASH APP or APPLE CASH.

Debit Card Usage

LWC records show that 19 of the claimants mentioned above also received benefits loaded onto debit cards issued by the state's third-party debit card provider, US Bank. In addition, we identified six other claimants who had their benefits loaded onto debit cards using the same mailing addresses and IP addresses as the claimants mentioned above.^A According to US Bank records, benefits totaling \$79,891 were loaded onto debit cards for these 25 claimants from May 15, 2020 to September 4, 2020. We found that 23 of the 25 debit cards were activated from May 14, 2020 to July 7, 2020; often with multiple cards being activated on the same day and within minutes of each other. For example, on July 7, 2020, seven debit cards were activated between 9:16 p.m. and 9:27 p.m.

We reviewed the debit card transactions for the 23 debit cards that were activated and compared them to A.B. and C.D.'s debit card transactions.^B These

^A Unlike the other 43 claimants previously mentioned, these six claimants did not have benefits direct deposited to a bank account and did not change their names within LWC's HIRE system. Of these six claimants, only one had a Louisiana driver's license and a death certificate had been issued for one of the claimants in 2014.

^B LWC records show that A.B. only received benefits via debit card. These records also show that C.D. initially received benefits via debit card from April 14, 2020 to April 17, 2020, and then changed her benefit payment method from debit card to direct deposit on April 18, 2020.

records show that A.B., C.D.^c, and only one (the first card that was activated) of the 23 activated cards were used to make retail purchases. The remaining 22 activated cards were used exclusively to make cash withdrawals at the same locations and times; and in several cases, simultaneous with transactions involving A.B.'s debit card. For example, A.B.'s debit card and nine other debit cards were used on July 9, 2020, at the same location in Slidell, LA to withdraw cash totaling \$4,580 from 6:18 a.m. to 6:31 a.m. The same nine debit cards and nine additional debit cards, were used to withdraw cash totaling \$13,548 on July 14, 2020, at five different locations in Slidell, LA from 12:26 p.m. to 1:18 p.m. US Bank records show that the 23 debit cards were used to withdraw cash at ATM's totaling \$74,475 from May 15, 2020 to July 22, 2020.

A.B. told us he did not receive unemployment benefits for very long, because his debit card was lost and his LWC account was compromised. A.B. could not recall if he used his sister's bank account to receive benefits and did not remember helping anyone else receive benefits through his sister's bank account.

Recommendations

We recommend that LWC seek legal advice to determine the appropriate actions to be taken, including recovering benefits improperly received by A.B., C.D., and E.F. on behalf of other individuals. In addition, LWC should:

- (1) Implement edit checks within the HIRE system to detect and identify multiple individuals using the same mailing address, IP address, and bank accounts;
- (2) Investigate instances in which multiple individuals use the same mailing address and IP address to apply for benefits;
- (3) Investigate instances in which multiple individuals use the same bank account to receive benefits;
- (4) Identify and investigate instances in which multiple individuals use the same IP address, within the same time periods, to submit applications, certify for benefits, and change personal information within their accounts;
- (5) Identify and investigate instances in which claimants significantly change their names or change their names more than once within the HIRE system; and
- (6) File corrected 1099s with the IRS for any previously filed 1099s that do not accurately reflect the amounts of unemployment benefits paid to claimants to reflect the appropriate amount.

^c C.D.'s debit card transactions were not consistent with A.B.'s debit card transactions or the transactions of the other 23 debit cards.

LEGAL PROVISIONS

¹ **Louisiana Revised Statute (La. R.S.) 14:26(A)** states, "Criminal conspiracy is the agreement or combination of two or more persons for the specific purpose of committing any crime; provided that an agreement or combination to commit a crime shall not amount to a criminal conspiracy unless, in addition to such agreement or combination, one or more of such parties does an act in furtherance of the object of the agreement or combination."

² **La. R.S. 14:67(A)** states, "Theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. An intent to deprive the other permanently of whatever may be the subject of the misappropriation or taking is essential."

³ **La. R.S. 14:67.16(B)** states, "Identity theft is the intentional use, possession, transfer, or attempted use, with fraudulent intent, by any person of any personal identifying information of another person to obtain, possess, or transfer, whether contemporaneously or not, credit, money, goods, services, or any thing else of value without the authorization or consent of the other person."

⁴ **La. R.S. 14:70.8(A)** states, "Whoever with intent to defraud either transmits, attempts to transmit, causes to be transmitted, solicits a transmission, or receives a transmission, by wire or radio signal, any stolen or fraudulently obtained monetary funds shall be imprisoned, with or without hard labor, for not more than ten years, or fined not more than one hundred thousand dollars, or both."

⁵ **La. R.S. 14:70.9(A)** states, "The crime of government benefits fraud is the act of any person who, with intent to defraud the state or any person or entity through any government benefits administered by any state department, agency, or political subdivision, does any of the following: (1) Presents for allowance or payment any false or fraudulent claim for furnishing services, merchandise, or payments. (2) Knowingly submits false information for the purpose of obtaining greater compensation than that to which he is legally entitled for furnishing services, merchandise, or payments. (3) Knowingly submits false information for the purpose of obtaining authorization for furnishing services, merchandise, or payments. (4) Knowingly makes or causes to be made a false statement or representation of material fact on an application or form for assistance, goods, services, or payments when the false statement or representation is made for the purpose of determining the person's eligibility to receive benefits or payments. (5) Knowingly conceals or fails to disclose any material fact affecting the applicant's or recipient's initial or continued eligibility to receive benefits or payments."

⁶ **La. R.S. 14:133(A)** states, "Filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, of any of the following: (1) Any forged document. (2) Any wrongfully altered document. (3) Any document containing a false statement or false representation of a material fact."

APPENDIX A

Management's Response



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John Bel Edwards, Governor
Ava Cates, Secretary

Office of the Secretary

December 8, 2022

Michael J. "Mike" Waguespack, CPA
 Louisiana Legislative Auditor
 Post Office Box 94397
 Baton Rouge, Louisiana 70804-9397

Dear Mr. Waguespack:

The Louisiana Workforce Commission (LWC) respectfully submits its management responses to your investigative audit reports (LLA Project Numbers 50210010, 5020020, and 50210034).

As an initial matter, the LWC finds it is imperative to note that the above-referenced reports should not be construed as audits of the LWC and/or its investigative processes. Rather, based on information provided to Louisiana Legislative Auditor's (LLA) Office by LWC, these reports detail three (3) separate investigations identified by our Unemployment Insurance (UI) Investigations staff early on during the COVID-19 pandemic to determine whether fraud actually occurred.

By now your office is well aware that the crippling effect of the pandemic was unimaginable for State Workforce Agencies (SWAs) across the country. Louisiana went from 1,698 initial unemployment insurance claims for the week ending March 7, 2020, to 72,438 for week ending March 21, 2020. By the week ending April 18, 2020, LWC received a combined total of 732,000 new and weekly claim certifications.

Weekly UI Claims			
Week-ending	Initial Claims	Weekly Certifications	Total Claims
4/18/2020	91,923	246,296	732,059
4/11/2020	79,653	217,532	297,185
4/4/2020	100,621	116,690	217,311
3/28/2020	97,400	58,027	514,496
3/21/2020	72,438	14,143	86,581
3/14/2020	2,255	13,987	16,242
3/7/2020	1,698	14,199	15,897

Along with several hundred thousand new unemployment claims, States were tasked with implementing and administering several new federal programs within an impossibly narrow timeframe and with insufficient and ever-changing guidance that did not take into account the increased potential for fraud to occur. The CARES Act benefit programs were comprised of approximately 7 temporary new programs that are vastly different from "regular state unemployment benefits" (RSUB). These programs ended on July 31, 2021. However, over the course of the last three years, the LLA has conducted at least five (5) audits of the UI program, including the various CARES Act benefit programs. The combined total percentage of fraud claims identified in these audit reports is less than 4%, giving LWC an accurate payment rate of over 95%. While perfection of course remains the ultimate goal, it was especially challenging to achieve during the period at issue in these reports.

As such, the LWC finds it extremely important to note the following:

- In response to the global COVID-19 pandemic, and the ensuing national health crisis, the United States Congress passed and President Donald J. Trump signed legislation to provide assistance to both businesses and workers through Payroll Protection and CARES Unemployment Insurance, respectively. The Pandemic Unemployment

Assistance (PUA) Program was created from the CARES Act UI provisions. **Nearly all of the claims identified in the referenced reports are PUA claims that were filed soon after the program was launched. None of these individuals would have been eligible for or ever received regular state unemployment insurance benefits.**

- In order to receive CARES UI benefits when the program was launched, states were specifically forbidden from requiring proof of identity and/or income. Further, some of the recommendations outlined in the audit report contradict with USDOL UIPL 01-16, which was in effect during the period in question.
- Louisiana was among the first states to introduce enhanced identity verification requirements throughout the course of CARES UI. As various federal prohibitions were changed or lifted, LWC instituted new security and identification protocols. Indeed, some variation of most of the recommendations in these reports are already in place.
- Not all multiple-use indicators are indicative of fraud. There is no prohibition against paying benefits to individuals that live at the same address and/or use the same bank accounts. Delaying benefits for those that are either in group homes, homeless shelters, rehabilitation facilities, multi-generational families, multi-family households etc., would have an adverse effect on our efforts to ensure equity and access to all of our citizens.
- The investigation conducted by the LLA far exceeded the scope of LWC's investigative capabilities. Because the LWC does not have prosecutorial authority, our agency works diligently with various law enforcement agencies, including the Federal Office of the Inspector General (OIG) to identify and prosecute fraudulent schemes and crime rings.

While the LWC must concur with the recommendations outlined in the reports, note that these recommendations closely resemble a mere recitation of our current processes. In fact, during the review period in question, LWC UI Staff was in routine contact with the LLA discussing issues related to call center hold times, delays in payment of claims, and suspected fraud. Based on those discussions, the Legislative Audit Advisory Council convened a closed door session in 2020 to review LWC's tools and protocols related to fraud. The Council elected to discuss these measures in a closed session due to the possibility that public disclosure of our fraud screens would compromise their effectiveness.

To be clear, we feel strongly that no level of fraud is acceptable. Therefore, the LWC has and will continue to invest in fraud protection. Additionally, the Louisiana Legislature has allocated a total of \$1,083,600,000 to replenish the state unemployment trust fund since Fiscal Year 2021. Nationally, the cost of operating state unemployment insurance programs is of grave concern and will ultimately need to be addressed. In the interim, the LWC will continue to work diligently with your office and various law enforcement agencies to ensure that our unemployment insurance program remains an effective and equitable one for Louisiana's citizens.

Should you have any questions or need additional information, please feel free to contact my office at 225-342-3001.

Sincerely,



Ava Cates
Secretary

APPENDIX B

Other Responses

AB:

Response to an audit on the Louisiana Workforce Commission that I'm referred to as "AB"

I would like to state that I did not fabricate any claims. I did not send or authorize any funds that did not belong to me to anyone. It's also clear that CD or EF did not send or authorize benefits that did not belong to them to anyone or themselves. The only benefits I received were funds legally entitled to me through pandemic unemployment assistance. There's a variety of evidence that proves I'm not responsible for fabricating these claims such as, I never lived at the said location of the IP address, many people had access to the unsecured ISP or IP address not authorized by me, and the auditor stated to me over the phone that there 2 or more unrelated account holders that received benefits from these same fabricated claims one of which is mentioned in this report. If anyone has any more questions to resolve this matter, please feel free to contact my lawyer Jeffrey L Smith.

(504) 822-4488
2735 Tulane Ave New Orleans, LA
70119

Thankyou,

AB

CD:

I did not state my brother lived at any location as I did not know where my brother stayed at the time. I'm a victim of my own naivety. I did not authorize any benefits being sent to me other than my brothers. I was unaware that any funds sent to me belonged to anyone else. I did not benefit, profit, or keep any one else's benefits except my own that was legally entitled to me. I also took the necessary steps with the bank to clear this matter.

Thankyou,

CD

EF,

I did not authorize anyone else's benefits being sent to me. I was not aware that any funds sent to my account belonged to anyone else. I did not use or keep any one else's benefits. The only funds I received and used from unemployment were my own which I legally obtained. I reported this matter on my account to the bank and closed the compromised account.

Thankyou,
EF

GH,

I received a call from an unknown number, at first I thought it was a spam call as he was asking me random questions. The reason I stated I did not know the person he asked of is because he mispronounced his name. I also did not hang up the phone, the line disconnected and I never received a second phone call. I was asked if the individual lived with me at one of my previous addresses which I stated no that person did not. Only me and my daughter lived there up until approximately July from what I could remember when I could no longer afford the rent, utilities, and other bills with the assistance I received. I moved out and stayed at hotels, with friends, and with my mother until late in the year. When I moved out two other individuals occupied the apartment because I did not want an eviction. I got a new apartment and a new ISP later in the year when things got better. There were two ISPs or IP addresses under my name in two different cities at once for months but I only used the one where I actually resided. All of this can be easily verified please feel free to contact me if necessary.

Thanks,

GH