



MICHAEL J. "MIKE"  
WAGUESPACK, CPA

## Report Highlights

# Improper Payments in the UI Program: Ineligible Recipients Based on State Employment

## *Louisiana Workforce Commission*

Audit Control # 82200011

Performance Audit Services • Data Analytics Unit • February 2022

### Why We Conducted This Audit

We evaluated the Louisiana Workforce Commission's (LWC) Unemployment Insurance program (State UI) and federally-funded COVID-19 pandemic-related unemployment assistance programs (Federal UI) to determine if apparently ineligible employees of the State of Louisiana (State) were paid unemployment benefits. We conducted this audit because of the significant increase in costs and number of applicants for State and Federal UI during the COVID-19 pandemic, which according to data provided by LWC totaled \$9.83 billion in payments to 794,515 individuals from March 30, 2020, through July 31, 2021.

### What We Found

**Overall, we found that LWC made approximately \$6.1 million in State and Federal unemployment benefit payments to 1,054 state employees who do not appear to have been eligible for these programs during the period of February 2, 2020, through July 24, 2021. While some of these employees may be victims of identity theft, unemployment benefit payments to others appear to potentially be improper.** We identified these issues by performing two comparisons of unemployment benefit payments and state employee wages. Our first comparison analyzed unemployment benefit payments and state employee wages reported quarterly to LWC by state agencies whose payroll data is not contained in the State's LaGov Enterprise Resource Plan system (LaGov). Our second comparison analyzed unemployment benefit payments and state employee bi-weekly payroll data obtained from LaGov. The results of these two analyses are summarized in the following categories for these potentially improper payments:

- LWC made approximately \$2.9 million in unemployment benefit payments to 566 state employees who do not appear to have been eligible for these programs based on the wages reported to LWC by their employers for the period of March 2020 through March 2021. Of the \$2.9 million identified in this analysis, \$2.1 million (72.4%) was previously identified as being paid to 371 individuals whose wages appear to have made them ineligible to receive unemployment benefits as reported in an audit published on March 31, 2021.
- LWC made approximately \$3.1 million in unemployment benefit payments to 488 state employees who do not appear to have been eligible for these programs based on their bi-weekly state payroll from March 2020 through July 2021. Of the \$3.1 million identified in this analysis, \$1.8 million (58.0%) was previously identified as being paid to 235 individuals whose wages appear to have made them ineligible to receive unemployment benefits as reported in an audit published on March 31, 2021.

View the full report, including management's response, at [www.la.gov](http://www.la.gov).