*Welcome to LLA Reports, a podcast produced by the Louisiana Legislative Auditor’s office. This podcast is intended to be an oral representation of the written report it highlights and is primarily for the use of the Louisiana Legislature.*

This is Chris Magee. I’m the data analytics manager for the LLA’s Performance Audit Services. This episode of LLA Reports focuses on our recently released report titled “Improper Payments in the Unemployment Insurance Program: Ineligible Incarcerated Recipients.”

The purpose of this audit was to identify potential improper payments the Louisiana Workforce Commission – or LWC – made to incarcerated individuals who were ineligible for Unemployment Insurance benefits.

Overall, we found LWC paid approximately $6.2 million dollars in state and federal Unemployment Insurance benefits to 1,195 incarcerated individuals who do not appear to have been eligible for these programs.

According to LWC policy, incarcerated individuals are not eligible for unemployment benefits because they are unable to obtain employment, which state law requires.

For this report, we analyzed individuals who were incarcerated during the period of January 2020 through November 2020.

To verify eligibility related to incarceration status, LWC performs a weekly data match between individuals receiving unemployment benefits and incarceration data from its vendor’s national database.

According to LWC, this database contains 99 percent of the individuals incarcerated in Louisiana, including all of the Louisiana Department of Corrections’ state offenders.

To evaluate LWC’s process, we used data from the Department of Corrections to identify individuals who were incarcerated during the same weeks that LWC determined they qualified for unemployment benefits.

Our analysis found that 92 individuals received only one week of benefits while they were incarcerated, which may indicate LWC identified them through its weekly data match and stopped payments.

However, the remaining 1,103 individuals received unemployment benefits for more than one week, including some who received payments but were incarcerated from March 2020 through November 2020, which may indicate LWC’s weekly data match did not work as intended.

We found that 968 – or 81 percent – of the 1,195 individuals identified through this analysis qualified through the Unemployment Insurance program designed for contractors and gig – or occasional – workers, which was created as a part of the federal CARES Act.

Employers do not report contract and gig workers’ income to LWC, since these individuals are not classified as employees. As a result, LWC does not have electronic wage data to use for eligibility purposes. Instead, it must rely upon the amount of income reported by applicants on their applications to make eligibility determinations.

We provided LWC with the results of our analysis, and LWC said it has flagged the individuals identified by the LLA for further review.

According to LWC, the potentially improper payments occurred because the data match between its unemployment benefit data and its vendor’s incarceration data did not work correctly. LWC stated it is working with the vendor to resolve the issue.

In addition, LWC is working through the cases identified as potential fraud and/or overpayments and attempting to recover the funds.

As a result of our audit, we developed two recommendations.

The first recommendation was that LWC should identify the cause for its incarceration data match not working properly.

The second recommendation was that LWC should continue to investigate individuals who appear to have been incarcerated during the time they received unemployment benefits and should recoup those dollars as appropriate.

In its response to our report, which is detailed in the report appendix, LWC agreed with our recommendations.

*We hope you found this podcast informative, and that you’ll follow future episodes of LLA Reports. You can subscribe to LLA Reports at Apple Podcasts, Google Podcasts, or your favorite podcast platform.*

*This podcast was created as a part of the audit report just discussed and is intended primarily for the use of the Louisiana Legislature. The full report and the podcast can be found on the LLA’s website at* [*www.lla.la.gov*](http://www.lla.la.gov)*.*

*Thank you for listening.*