Payment Integrity Scorecard

Program or Activity	Reporting Period	FY 2025 Overpayment Amount ($M)*	
Employment & Training Administration - Federal State Unemployment Insurance	Q3 2026		$4,765

*Estimate based a sampling time frame starting 7/2024 and ending 6/2025

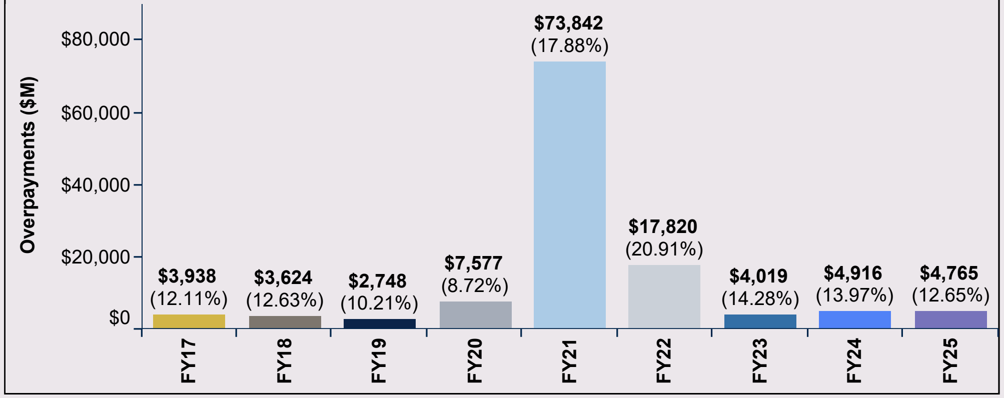
DOL

Employment & Training Administration - Federal State Unemployment Insurance

Brief Program Description & summary of overpayment causes and barriers to prevention:

The UI programs provide temporary, partial wage replacement to eligible workers. The top three root causes for OPs in the UC programs are BYE, Work Search, and Separation Issue improper payments (IPs). Barriers to prevention include (1) increasingly sophisticated/evolving fraud schemes, including identity fraud; (2) 53 states and territories administering the program in accordance with state law and across different IT systems; and (3) statutory requirements to provide due process, which includes balancing legal requirements with paying benefits quickly.

Historical Payment Rate and Amount ($M) (Overpayment as Percentage of Total Outlays)



Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

The Administration is taking an aggressive approach to combating fraud, waste, and abuse. ETA's actions include: • Holding states accountable for reducing IPs and correcting UI program performance deficiencies through enhanced monitoring and oversight with UI Strike Teams; • Providing states with improved access to data sources and services to prevent and detect fraud and reduce IPs, including facilitating access to U.S. Treasury's Do Not Pay Portal via the Integrity Data Hub, enhanced ID verification services, and the unemployment.gov pilot; • Continued partnership with the Department's Office of Inspector General (DOL-OIG) to collaborate on UI fraud matters and streamline the recovery of overpayments, including the return of fraudulent funds from financial institutions; • Where appropriate under federal statute, issuing UI program guidance to states; and • Providing states with access to relevant UI program training and resources that support improvements to UI program integrity. These actions are multi-year strategies aimed at reducing IPs in the UI program.

	Accomplishments in Reducing Overpayment	Date
1	Sent letters to Governors of all 53 states and territories demanding immediate action to combat fraud, waste, and abuse within the UI program.	Jun-26
2	Published the new UI State Performance Scorecards, which highlight key metrics reflecting the relationship between individual state performance, acceptable levels of performance, and national performance measures.	Jun-26
3	Strike Team engagements in 11 states. Began incorporating discussion between state leadership & regional OIG leadership to ensure comms for fraud referrals. Drafting reports re: compliance findings & gap analysis on state Corrective Actions & current performance.	Jun-26

Payment Integrity Scorecard

Program or Activity
Employment & Training Administration - Federal State Unemployment Insurance

Reporting Period
Q3 2026

	Goals towards Reducing Overpayments	Status	ECD
1	ETA is activating UI Strike Teams in conducting onsite engagements in 24 states and issuing formal monitoring reports to hold states accountable in combatting fraud, reducing IPs, and improving benefits timeliness.	On-Track	Sep-26
2	ETA continues its strategic investment in centralized services that support operations common across all states. This includes enhancing ID verification and fraud prevention services for states to use to ensure UI benefits are provided only to eligible individuals through an initial pilot with 2-5 states of unemployment.gov and strengthening existing state ID verification services as discussed in UIPL No. 10-26.	On-Track	Sep-26

	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	**Recovery Activity**	Continue to work closely with federal law enforcement and banks/financial institutions to streamline recovery efforts and facilitate the return of UI funds that remain outstanding on prepaid debit cards.	ETA continues collaborating directly with OIG and banks, providing instructions to states regarding actions required to address accounts with UI funds remaining on prepaid debit cards and recovery of outstanding UI monies.
2	**Recovery Activity**	Review state legislative proposals to ensure conformity and compliance with Federal overpayment recovery requirements	Provide technical assistance to Congress on federal legislative proposals related to overpayment recoveries.
3	**Recovery Activity**	performing required & recommended recovery activities.	Share best practices and identify opportunities to streamline state recovery efforts across states.

Amt($)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
$3,953M	Overpayments that occurred because of an Inability to Access the Data/Information Needed.	State agency had detected payment error as result of crossmatch with dataset and had taken official action to establish overpayment for recovery before IP rate audit was completed or state was in the process of resolving the error prior to audit sample selection.	Predictive Analysis - A data analytics technique used to prevent Improper Payments. It uses predictive capabilities to identify unobserved attributes that lead to suspicion of Improper Payments based on known Improper Payments.	Promote state strategies to improve use of cross-matching and data analytics to prevent and detect fraud and provide enhanced crossmatches for states' use to ensure UI benefit payments are only made to eligible individuals and reduce IPs.
		Statute requires payments "when due", prohibiting states from suspending payments under certain circumstances until official determination that payments are no longer due. UI is administered by states under state law, that must conform to limited parameters under federal law.	Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.	Provide states access to effective tools, technology, resources, and solutions; offering states enhanced technical assistance to prevent/detect IPs and fraud and to reduce IPs due to issues that were not detectable by normal procedures.
$812M	Overpayments that occurred because of a Failure to Access Data/Information Needed.	State agency identified issue but didn't properly follow procedures/complete forms and/or provided incorrect info - didn't resolve issue. Or result of 3rd-party error/incorrect info. OPs originate from state agency administration issues, not Federal.	Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.	Hold states accountable through performance measures and required corrective action for not meeting targets. As appropriate, also provide TA, share best practices, and enhance training/resources to improve UC knowledge and reduce IPs due to state agency errors.

The actions reported above demonstrate ETA's ongoing commitment to holding states accountable for improving UI program performance and strengthening integrity in the UI system. ETA continues to take aggressive steps to protect American workers by reducing fraud, waste, and abuse in the UI system. Both the Department and state UI agencies have a vested interest in ensuring UI program integrity and are jointly responsible for managing the process of assessing and mitigating fraud risks and reducing IPs. Strengthening UI program integrity and reducing IPs require dedicated focus, strong processes, and a system-wide commitment. Effective antifraud and IP reduction strategies employ a multi-layered approach by leveraging an array of controls, tools, and resources to detect and fight fraud and reduce IPs early, and wherever possible, before a payment is made. ETA's antifraud and IP reduction strategies, which are outlined in the UI Integrity Strategic Plan, provide a comprehensive set of actions targeting fraud and the top UI IP risks.