

# Payment Integrity Scorecard

## Program or Activity

Employment & Training Administration - Federal State Unemployment Insurance

## Reporting Period

Q4 2025

## FY 2024 Overpayment Amount (\$M)\*

**\$4,916**

\*Estimate based a sampling time frame starting 7/2023 and ending 6/2024



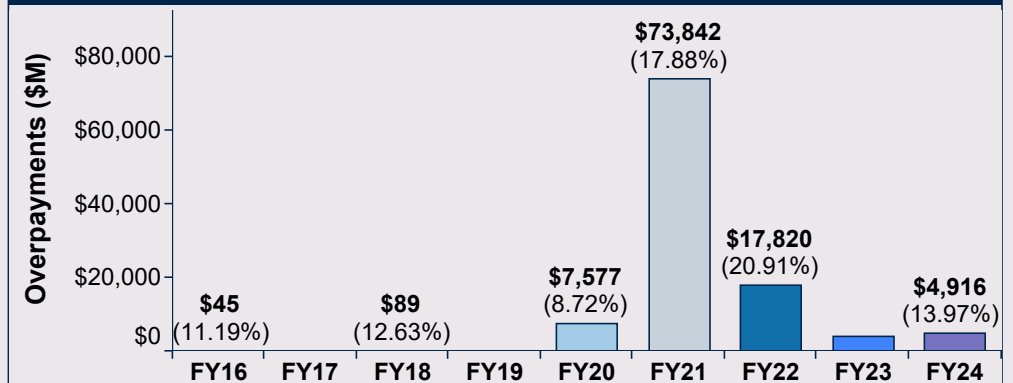
**DOL**

Employment & Training Administration - Federal State  
Unemployment Insurance

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

The UC programs provide temporary, partial wage replacement to eligible workers. Programs included in the monetary loss calculation include the traditional state UI, UCFE, UCX, EB, EUC08 benefits, and PEUC and FPUC CARES Act benefits. The top three root causes for OPs in the UC programs are BYE, Work Search, and Separation Issue IPs. Barriers to prevention include (1) statutory requirements, based on sound policy, to provide due process; (2) states must balance legal requirement to pay benefits quickly with requirement to prevent fraud and improper payments; (3) 53 jurisdictions with different IT systems; and (4) increasingly sophisticated/evolving fraud schemes, including identity fraud.

### **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**

Combating fraud, waste, and abuse is a priority of this Administration. ETA's actions to improve UI program integrity include: • Holding states accountable for reducing improper payments and correcting UI program performance deficiencies through monitoring and oversight; • Providing states with access to relevant UI program training and resources that support improvements to UI program integrity; • Providing states with improved access to data sources and services to prevent and detect fraud and reduce improper payments; • Strengthening states' access to enhanced ID Verification services; • Continued partnership with the Department's Office of Inspector General (DOL-OIG) to collaborate on UI fraud matters and streamline the recovery of overpayments; and • Where appropriate under federal statute, issuing UI program guidance to states. These actions are multi-year strategies aimed at reducing improper payments in the UI program.

Accomplishments in Reducing Overpayment		Date
1	Conducted an on-site monitoring review of a state's UI program integrity and adjudication functions, focused primarily on a high fraud rate and required corrective actions to address it.	Aug-25
2	Hosted a webinar for states to share details about enhancements made to the identity verification process with Login.gov and United States Postal Service.	Sep-25
3	Implemented two new Do Not Pay data sources and services, making them accessible to states through the Integrity Data Hub and onboarded states to use the new payment integrity data sources.	Sep-25

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Goals towards Reducing Overpayments		Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	ETA continued to support enhancements to the Integrity Data Hub, which included the addition of two new data sources and services provided under the partnership with Do Not Pay.	Completed	Sep-25	1 Recovery Activity	Provide technical assistance (TA) to states on overpayment recovery methods & best practices & find opportunities to streamline state recovery efforts.	ETA continues to provide TA to states (as needed) regarding required & recommended recovery activities.
2	ETA is preparing to roll out a claimant-facing website, "Unemployment.gov" that will serve as the starting point for individuals looking to file an unemployment claim to direct them to the appropriate state for filing. Additionally, ETA intends to pilot with 2-5 states additional functionality within Unemployment.gov that is expected to include front-end ID verification via Login.gov and immigration status and work authorization verification via the Systematic Alien Verification for Entitlements	On-Track	Mar-26	2 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.	ETA continues to connect states with law enforcement and/or banks to facilitate the return of UI funds.
				3 Recovery Activity	Review state legislative proposals to ensure conformity and compliance with Federal overpayment recovery requirements.	ETA continues to review state legislative proposals to ensure conformity and compliance with Federal overpayment recovery requirements.

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$3,933M	Overpayments outside the agency control that occurred because of an Inability to Access the Data/Information Needed.	Statutory barriers, established for good policy reasons require payments "when due", prohibiting states from suspending payments until official state determination that payments are no longer due. UI is not administered at the Federal level.	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.
\$876M	Overpayments within agency control 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 require corrective action for not meeting targets; provide oversight and TA; share best practices; enhance training/resources to improve UC knowledge and reduce IPs due to state agency errors.
\$106M	Overpayments within agency control that occurred because of an Inability to Access the Data/Information Needed.	State agency had detected payment error as result of crossmatch with state or national files and had taken official action to establish overpayment for recovery before investigation or state was in the process of resolving the error prior to 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.

Protecting American workers by reducing fraud, waste, and abuse in the UI system is a top priority for ETA. To achieve this objective, ETA's vision for improving the UI system is centered around three elements: Repair, Reform, and Overhaul. Repair represents a reminder to states about the existing obligations within the UI program and holding states accountable for UI program performance. Reform focuses on meaningful policy and operational changes that will promote integrity and timeliness within the UI system. This includes aligning UI modernization with America's Talent Strategy to maximize efficiency and effectiveness in propelling American workers into high-wage careers, upholding the dignity of hard work, and delivering the talent businesses need to power the nation's economic resurgence. Overhaul emphasizes transformative and innovative changes that will fundamentally enhance the UI system and bring it into the modern economy. ETA's antifraud and improper payment reduction strategies, which are outlined in the UI Integrity Strategic Plan, provide a comprehensive set of actions targeting fraud and the top UI improper payment risks.