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United States Senate

COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS

WASHINGTON, DC 20510-6300

MATT GALLIVAN, MAJORITY STAFF DIRECTOR
WARREN GUNNELS, MINORITY STAFF DIRECTOR

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June 10, 2026

VIA ELECTRONIC TRANSMISSION

The Honorable Kathy Hochul
Governor
State of New York
NYS State Capitol Building
Albany, NY 12224

Dear Governor Hochul,

As Chairman of the U.S. Senate Health, Education, Labor, and Pensions Committee, I'm deeply committed to ensuring that tax dollars reach the American families they are supposed to help. Unfortunately, fraudsters deceive states into distributing billions of dollars in benefits annually. Unemployment insurance fraud is a longstanding issue in New York.

During the pandemic, New York's comptroller reported that state leadership had been aware of issues with its unemployment insurance system since 2010.¹ This preceded a threefold increase in fraud claims, potentially causing the state to borrow from the Federal Unemployment Insurance Trust Fund and sticking business owners with the bill.² The most famous failure of New York's unemployment insurance fraud prevention during that time is a former Congressman, who, despite being a candidate for public office also registered with the state, was somehow able to claim \$24,000 in unemployment insurance benefits while being employed.³⁴

According to the Department of Labor's most recent data, New York's unemployment insurance improper payment fraud rate is the highest in the nation at more than 22%.⁵ This translates to up

¹ Office of the State Comptroller, Report 2021-S-3, CONTROLS AND MANAGEMENT OF THE UNEMPLOYMENT INSURANCE SYSTEM (November 2022), <https://www.osc.ny.gov/files/state-agencies/audits/pdf/sga-2023-21s3.pdf>

² *Id.*

³ Press Release, U.S. Dep't of Justice, Congressman George Santos Charged with Fraud, Money Laundering, Theft of Public Funds, and False Statements (May 10, 2023), <https://www.justice.gov/usao-edny/pr/congressman-george-santos-charged-fraud-money-laundering-theft-public-funds-and-false>.

⁴ To wit, candidate George A.D. Santos was registered with the New York State Board of Elections under State Committee 35990. Santos' federal indictment charges defendant George Anthony Devolder Santos, a resident of Queens and Suffolk counties. Assuming Santos used the same name to apply for unemployment insurance benefits, the state should have been able to reference Santos' status as a candidate registered in Queens. NY State Board of Elections, LIST OF FILERS FILER ID 35990, <https://publicreporting.elections.ny.gov/> (last accessed Feb. 9, 2026); see also Superseding Indictment, *United States of America v. George Anthony Devolder Santos* (2:23-cr-00197-JS-AYS) (E.D.N.Y. 2024).

⁵ U.S. Dep't of Labor, UI BENEFIT INTEGRITY ACCURACY MEASUREMENT RATES APRIL 2024 THROUGH MARCH 2025, <https://www.dol.gov/agencies/eta/unemployment-insurance-payment-accuracy/data>

to \$666 million in taxpayer dollars fraudulently stolen from American taxpayers or more than 7,900 times the median family income in the United States.⁶

The New York Comptroller's most recent report in 2024 addressing unemployment insurance fraud found that, at 7.38% in 2023, it was notably higher than the pre-pandemic low of 4.51%.⁷ The state's efforts to reduce unemployment insurance fraud over the past several years have still not been enough to safeguard taxpayer dollars.

Lax controls on unemployment insurance systems do not lead to a faceless crime. American families suffer the consequences. It allows criminals who are committing fraud to file claims, steal taxpayer dollars, and distract the state from hardworking Americans' legitimate unemployment insurance claims. That money then ends up in the hands of overseas criminals instead of the people it is intended to help.⁸ To that end, I request answers to the following questions by June 24, 2026.

UI Benefit Accuracy Measurement Rates

1. What are the total number of cases of unemployment insurance fraud that occurred from April 2024 – March 2025?
 - a. Of those, how many involved the use of a stolen or impersonated identity?
 - b. Of those, how many involved the use of a synthetic identity?
 - c. Of those, how many involved a fictitious employer?
2. Of the Department of Labor's UI Benefit Accuracy Measurement Rates Fraud Rate, what is the total percentage of that rate that encompasses fraud?
 - a. Of that percentage, what percentage of that fraud involved stolen or impersonated identity?
 - b. Of that percentage, what percentage of that fraud involved the use of a synthetic identity?
 - c. Of that percentage, what percentage of that fraud involved a fictitious employer?

Fraud Prevention

1. What strategies and technologies do the state currently have in place to combat fraud conduct risk assessments, and address vulnerabilities?
 - a. Please detail the strategies and technologies you have used to bring down the overall number of cases of unemployment insurance fraud.

⁶ U.S. Census Bureau, MEDIAN HOUSEHOLD (September 09, 2025), INCOME, <https://www.census.gov/library/visualizations/2025/comm/median-household-income.html>

⁷ Office of the State Comptroller, CONTROLS AND MANAGEMENT OF THE UNEMPLOYMENT INSURANCE SYSTEM (FOLLOW-UP) (June 17, 2024), <https://www.osc.ny.gov/files/state-agencies/audits/pdf/sga-2024-23f41.pdf>

⁸ Ken Dilanian, Kit Ramgopal and Chloe Atkins, 'Easy money': How international scam artists pulled off an epic theft of Covid benefits, CNBC (Aug. 15, 2021), <https://www.nbcnews.com/news/us-news/easy-money-how-international-scam-artists-pulled-epic-theft-covid-n1276789>

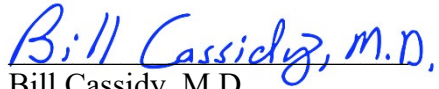
- b. Please detail the strategies and technologies you have used to detect and combat identity theft.
 - c. Please detail the strategies and technologies you have used to combat the use of a synthetic identity in fraud.
 - d. Please detail the strategies and technologies you have used to combat the use of a fictitious employer in fraud.
2. What steps must a claimant applying for unemployment insurance take to verify their identity to receive benefits in your state?
 - a. Please detail each step, document and piece of information a person has to take to verify their identity.
 - b. Please detail how you verify that information as true and belonging to the claimant.
 - c. Please detail the average success and failure rate of your verification processes.
3. Can an existing or prospective employer register their company with the state and provide payroll information to verify UI claims? If so, how does the state verify their identity?
 - a. Please detail each step, document or piece of information a prospective employer has to provide about themselves or their registered agent and how you verify that information.
 - b. Please detail each document or piece of information a person has to provide about their employees and how you verify that information.
 - c. Please detail the average success and failure rate of your verification processes.
4. What risk reduction strategies has the state employed to reduce the instances of unemployment insurance fraud?

Benefits Payment

1. In instances of fraud, what was the most common method of benefits payment?
 - a. What percentage of claimants received payment on a pre-paid debit card?
2. In instances where the state has reason to believe a claimant is committing unemployment insurance fraud, what processes are in place to stop the disbursement of benefits pending an investigation?
 - a. How does the state distinguish between fraudulent claims due to synthetic, stolen, and impersonated identities versus those that are not?
 - b. If those processes are not in place, why not?
3. Does the state know the amount of fraudulently stolen unemployment insurance benefits obtained by criminal organizations?
 - a. If so, have they been used by foreign criminal organizations? If known, please list the nations in which these organizations are based.

4. Does the state know what fraudulently stolen unemployment insurance benefits have been used to purchase?
 - a. If so, please list the purchases.

Sincerely,



Bill Cassidy, M.D.

Chairman

U.S. Senate Committee on Health,
Education, Labor, and Pensions



Tim Scott

United States Senator