



**OFFICE OF INSPECTOR GENERAL
U.S. DEPARTMENT OF LABOR**

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U.S. Department of Labor's Inspector General Uncovers Nearly \$1 Billion in Taxpayer Money at Risk—Tied to COVID Unemployment Fraud

WASHINGTON – Inspector General Anthony P. D'Esposito is sounding the alarm: without immediate action, American taxpayers could lose \$912 million tied to pandemic unemployment insurance fraud.

After analyzing 6.5 million prepaid debit cards used to distribute COVID-era unemployment insurance benefits, investigators found \$720 million still loaded on unused cards, including one account holding more than \$76,000—and another \$192 million already transferred to state unclaimed property offices.

"My office has warned that, absent swift action, U.S. taxpayers risk losing nearly a billion dollars in fraudulently obtained benefits," Inspector General Anthony D'Esposito said. **"This is taxpayer money—and it demands immediate attention. We've done the investigative work. We've identified where the money is. There is no excuse for delay, and no acceptable outcome other than returning these dollars to the American people."**

The Inspector General issued urgent alerts to the U.S. Department of Labor's (DOL) Employment and Training Administration (ETA) in [December 2025](#) and [February 2026](#), calling on ETA to issue immediate guidance directing states to work with financial institutions and unclaimed property administrators to recover the funds.

"Fraud isn't a victimless crime. Every dollar stolen is a dollar that families don't have for groceries, rent, health care, or gas. When we root out fraud, we protect taxpayers and lower the real cost of living," Inspector General Anthony D'Esposito said.

DOL OIG pandemic unemployment insurance fraud investigations have resulted in more than 2,300 individuals charged, 1,800 convictions, and \$2.2 billion in monetary accomplishments. This latest discovery reveals just how much fraudulent money remains unrecovered.

For additional information on DOL OIG's oversight of the UI program, please visit www.oig.dol.gov/doloiquoversightwork.htm. If you suspect wrongdoing involving DOL programs or operations, contact the DOL-OIG Hotline at (800) 347-3756 or www.oig.dol.gov/hotlinecontact.htm.