



News Release

U.S. Department of Labor | August 14, 2025

US Department of Labor helps recover \$520 million in suspected fraudulent pandemic-era unemployment insurance payments

CARES Act funds returned to Maryland after collaboration with state's Labor Department

WASHINGTON – The U.S. Department of Labor’s Office of Inspector General today announced the successful recovery of approximately \$520 million in suspected fraudulent unemployment insurance payments made during the COVID-19 pandemic.

These funds, which had been frozen by a financial institution, have now been returned to the state of Maryland as a result of a coordinated recovery effort involving the department’s Office of Inspector General, the Employment and Training Administration, and Maryland’s Labor Department.

“Under President Trump’s leadership, the Department of Labor is aggressively rooting out waste, fraud, and abuse from taxpayer-funded unemployment insurance programs and ensuring these benefits are being invested in American workers,” said Secretary Lori Chavez-DeRemer. “This recovery of hundreds of millions in fraudulent payments is yet another win for hardworking Americans, who expect the federal government to be responsible stewards of their tax dollars. I commend our Office of Inspector General, ETA, and the Maryland Department of Labor for their relentless efforts to hold bad actors accountable.”

Following an agreement executed by the Maryland Department of Labor and a financial institution, the department’s Office of Inspector General collaborated with the Employment and Training Administration to support and facilitate efforts to return approximately \$520 million in suspected fraudulent unemployment insurance payments made during the COVID-19 pandemic to the state of Maryland. The money will be allocated between Maryland and the U.S. government in proportion to how the benefits were funded.

The CARES Act of 2020 provided American families with much-needed relief during the COVID-19 crisis by creating three new unemployment insurance programs: Pandemic Unemployment Assistance, Federal Pandemic Unemployment Compensation, and Pandemic Emergency Unemployment Compensation. These programs were heavily targeted by international and domestic criminal organizations perpetrating a multitude of identity fraud schemes to apply for and receive unemployment insurance benefits. In many cases, banks were able to recognize the attempts at unemployment insurance fraud and suspend the payments.

“This return of funds was made possible by ongoing collaboration between the U.S. Department of Labor’s Office of Inspector General, the Employment and Training Administration, and the Maryland Department of Labor,” said Acting Deputy Inspector General Michael C. Mikulka. “Regrettably, a significant amount of pandemic UI benefits – intended to support American workers impacted by the COVID-19 pandemic – were unlawfully diverted by criminal actors using stolen identities to submit fraudulent claims. The Office of Inspector General is proud to have played a role in facilitating the return of funds to the state of Maryland and eventually the U.S. Treasury. We remain committed to protecting the integrity of the U.S. Department of

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Labor's programs and ensuring that critical resources reach those who need them most.”

ETA has recently provided [guidance to states](#) on the proper methods to process these overpayments to return the funds to the state and federal governments. With this guidance, states are encouraged to continue recovering fraudulent and improper payments that were made through these unemployment insurance programs.

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.

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Media Contact:

Christine Feroli, 301-793-3023, feroli.christine.e@dol.gov

Grant Vaught, 202-693-4672, vaught.grant.e@dol.gov

Release Number: 25-1227-NAT