



U.S. DEPARTMENT OF LABOR OFFICE OF INSPECTOR GENERAL

PRESS RELEASE

U.S. Department of Labor, Office of Inspector General Flags Millions in UI Funds at Risk, Presses Financial Institution to Act

June 1, 2026

FOR IMMEDIATE RELEASE

U.S. Department of Labor, Office of Inspector General

WASHINGTON, D.C. — Inspector General Anthony P. D’Esposito issued an Alert Memorandum to the U.S. Department of Labor’s (DOL) Employment and Training Administration (ETA), urging a financial institution to freeze funds held on prepaid debit cards linked to fraudulent COVID-19 Unemployment Insurance (UI) claims. The alert calls for immediate action to preserve these taxpayer dollars and prevent additional loss through escheatment.

“My office will not allow these stolen Unemployment Insurance benefits to slip away. We are aggressively tracing every dollar, pressing financial institutions to act, and using every tool available to safeguard taxpayer funds. We will not rest until these losses are halted and every dollar is put back into the pockets of the American people,” said Anthony P. D’Esposito, Inspector General, U.S. Department of Labor.

Previously, through an Alert Memorandum transmitted to ETA in February 2026, the Office of Inspector General (OIG) assessed that more than \$700 million in total UI funds were being held by Financial Institution 1 (FI 1) on prepaid debit cards, and over \$200 million had already been escheated as of September 2025.

Due to ongoing concerns, the OIG conducted further analysis of FI 1’s updated UI escheatment status. The OIG found a 41% increase in escheated UI funds by FI 1 between September 2025 and February 2026, totaling more than \$376 million. Without immediate action, an estimated additional \$500 million in UI funds could be escheated by September 2026.

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

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