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

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### PRESS RELEASE

# 53,000 Fraudulent Unemployment Insurance Accounts Exposed in New Jersey Following OIG Intervention; Citing Governor Sherrill's Negligence

June 10, 2026

#### FOR IMMEDIATE RELEASE

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

**WASHINGTON, D.C.** — The U.S. Department of Labor's Office of Inspector General (OIG) today announced the identification of more than 53,000 fraudulent Unemployment Insurance (UI) claims in New Jersey, totaling over \$9 million. The funds are in the process of being recovered and will be promptly returned to the American taxpayer. The investigation exposed significant vulnerabilities within the state's UI system, demonstrating alarming negligence from Governor Mikie Sherrill's administration.

These fraudulent claims were flagged through OIG-led investigative efforts. Without this critical intervention, more than \$31 million in potentially fraudulent accounts would have remained undetected and unaddressed under Governor Sherrill's administration.

In January 2026, the OIG raised initial concerns and issued a formal Financial Institution [Alert Memorandum](#) to the U.S. Department of Labor's Employment and Training Administration (ETA). The Alert Memorandum urges immediate action by state workforce agencies to recover potentially fraudulent UI funds related to the COVID-19 pandemic. The OIG identified nearly 220,000 suspicious accounts for New Jersey's review. Following the alert, a joint DOL-OIG strike team was deployed to New Jersey on April 13, 2026.

"New Jersey's 53,000 fraudulent accounts illustrate Governor Sherrill's failure to safeguard funds and a complete disregard for the American taxpayer," said Anthony P. D'Esposito,

Inspector General, U.S. Department of Labor. “Allowing these accounts to go unchecked is unacceptable. New Jersey’s reckless approach demonstrates a profound betrayal of hardworking Americans. My office will not rest until every account has been examined and every stolen dollar is recovered.”

The identification of these fraudulent claims was made possible through close collaboration between the U.S. Department of Labor, Acting Secretary Keith Sonderling, and Inspector General D’Esposito. The joint strike teams deployed across the nation have produced significant results, establishing a new benchmark in combatting UI fraud and ensuring states are held accountable.

“This partnership is central to protecting American workers, taxpayers, and the integrity of the UI program.” said Inspector General D’Esposito. “Our strike teams are working side-by-side, using every resource available — including essential coordination with Vice President Vance’s Task Force to Eliminate Fraud — to bring justice back to the American people.”

*For additional information on DOL OIG, please visit [oig.dol.gov](https://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](https://oig.dol.gov/hotlinecontact.htm).*

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