

Top Pandemic Challenges Facing the U.S. Department of Labor

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The U.S. Department of Labor (DOL) plays a vital role in the lives of workers and in the nation's economy. Now more than ever, DOL must remain vigilant in its important stewardship of taxpayer funds, particularly in overseeing the hundreds of billions of dollars in pandemic-related funding authorized in an effort to provide additional unemployment benefits to those in need and ensuring the safety and health of the country's essential workforce.

In this report, we summarize the top pandemic related challenges facing DOL. The challenges we identified are:

- Responding Expeditiously to the COVID-19 Pandemic while Protecting the Integrity of the Unemployment Insurance Program 2
- Protecting the Safety and Health of Workers 3

In addition, the Pandemic Response Accountability Committee (PRAC) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, of which DOL-OIG is a member, has published a report titled *Top Challenges Facing Federal Agencies: COVID-19 Emergency Relief and Response Efforts* with submissions from OIGs overseeing agencies involved in the pandemic response. To view this report, go to <https://oversight.gov/report/prac/top-challenges-facing-federal-agencies-covid-19-emergency-relief-and-response-efforts>.

CHALLENGE: Responding Expeditiously to the COVID-19 Pandemic while Protecting the Integrity of the Unemployment Insurance Program

BACKGROUND

DOL-Offices of Inspector General (OIG) has previously expressed concern with the Department's ability to deploy program benefits expeditiously and efficiently while ensuring adequate oversight, particularly in response to national emergencies and disasters. The OIG renewed this concern in light of the coronavirus pandemic and the unprecedented increase in funds to DOL programs, especially the Unemployment Insurance (UI) program, which has received hundreds of billions of dollars under recently enacted legislation.

Since the Coronavirus Disease 2019 (COVID-19) first arrived in the United States in early 2020, UI claims have risen exponentially. DOL reported that tens of millions of initial unemployment claims have been filed since March of 2020, the largest increase since the Department began tracking the data in 1967. The CARES Act provides major funding to the state-federal unemployment program, including covering workers not typically covered by UI.

CHALLENGE FOR THE DEPARTMENT

For many years, the OIG has reported concerns with DOL's ability to measure, report, and reduce improper payments in the UI program. The OIG's prior audit work revealed that the Department has not done enough to formally assess the various strategies available to combat improper payments. In addition, the Department has been unable to determine what issues persist, due in part to a lack of reliable state-reported data. Further, improper payments stemming from fraudulent activity continue to pose a significant threat to the integrity of the UI program, as identity thieves and organized criminal groups have found ways to exploit program weaknesses. For example, benefits paid via non-state issued prepaid debit cards provide anonymity to those who submit fraudulent claims. The OIG expects these issues will be exacerbated by the significant funding increase in response to the coronavirus pandemic.

To meet the requirements of the CARES Act, states must have sufficient staffing and system resources to manage the extraordinary increases in the number of claims and payments. The expanded coverage offered under the temporary Pandemic Unemployment Assistance program has posed significant challenges to states as they implement processes to determine initial and continued program eligibility. DOL must ensure states establish strong controls for determining eligibility and consider past systemic weaknesses when developing fraud prevention measures. DOL must also ensure states establish procedures to detect and recover any improper payments made and redirect the funding to those eligible for the assistance.

CHALLENGE: Protecting the Safety and Health of Workers

BACKGROUND

DOL has the substantial responsibility for helping ensure the safety of the country's workforce, and ensuring benefits are provided to address work-related disabilities. The Department's Occupational Safety and Health Administration (OSHA) is responsible for the safety and health of 136 million workers employed at more than 9 million establishments, while the Department's Mine Safety and Health Administration (MSHA) is responsible for the safety and health of approximately 320,000 miners who work at more than 13,000 mines. The Office of Workers' Compensation Programs (OWCP) administers disability compensation programs which provide wage replacement benefits, medical treatment, and other benefits to federal employees and certain workers in the coal mine, energy, and longshore industries or their dependents who experience work-related injury or occupational disease.

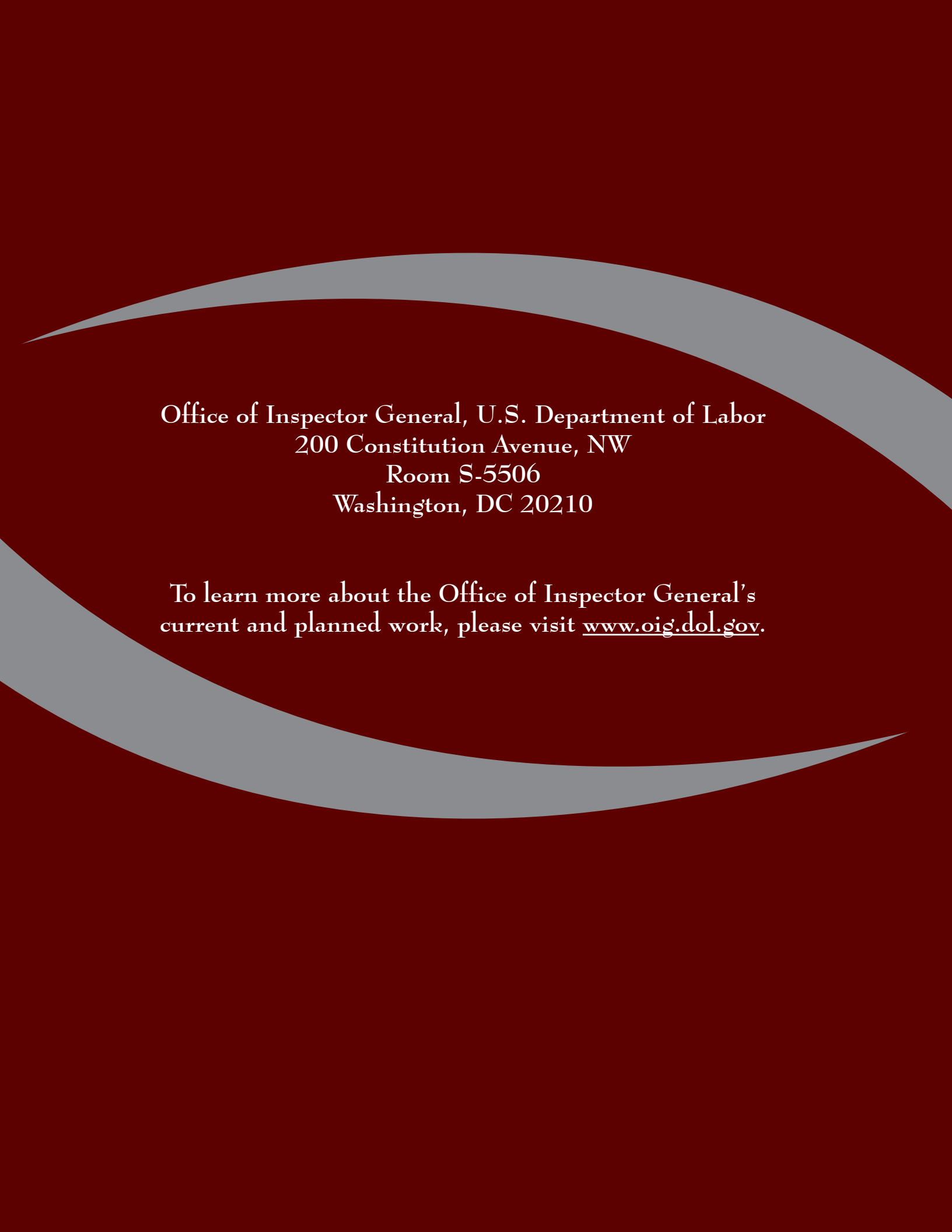
CHALLENGE FOR THE DEPARTMENT

OSHA and MSHA face challenges in determining how to help ensure employers protect the safety and health of the American workforce during the coronavirus pandemic, particularly in high-risk industries such as health care, law enforcement, meat processing, agriculture, manufacturing, delivery workers, retail, and mining. The nature of this work and inherent barriers to social distancing make it particularly difficult to protect this essential workforce. Further, unless proper precautions are taken, avoidable COVID-19 infections and deaths may occur as more people return to work. OSHA is challenged in fulfilling its mission due to resource constraints and the urgency of actions required. Specifically,

OSHA must provide clear and relevant coronavirus-related guidance to help ensure worker safety during the pandemic. OSHA must also use its limited resources to timely respond to the significant increase in worker and whistleblower complaints to ensure workplace safety, and to protect workers that exercise their rights to report safety concerns.

MSHA is challenged to accomplish its mission during the pandemic as agency and state restrictions on travel and workers have reduced its ability to conduct critical work. Specifically, MSHA is challenged to timely complete all inspections and investigations, focusing its efforts on completing the four highest-risk annual mandatory inspections of underground mines and two annual mandatory inspections of surface mines. Both mandatory and discretionary inspections to address specific mine safety concerns are at risk of not being conducted due to COVID-19. Additionally, miners with preexisting health issues (e.g., respiratory disease) are especially vulnerable to the coronavirus.

Finally, OWCP is challenged with timely processing compensation claims due to the pandemic. The agency has received a significant number of coronavirus-related claims, and OWCP resources may be strained as those numbers continue to increase. Further, claimants are experiencing difficulties obtaining the employment and medical documentation required to adjudicate their claims due to social distancing mandates in effect across the country.



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