

117TH CONGRESS
1ST SESSION

S. 2742

To establish the COVID–19 Unemployment Insurance Fraud Task Force,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 14, 2021

Mr. THUNE (for himself and Mr. CRAPO) introduced the following bill; which
was read twice and referred to the Committee on Finance

A BILL

To establish the COVID–19 Unemployment Insurance Fraud
Task Force, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Recovering Fraudulent
5 Claims Act”.

6 **SEC. 2. COVID–19 UNEMPLOYMENT INSURANCE FRAUD**
7 **TASK FORCE.**

8 (a) IN GENERAL.—

9 (1) ESTABLISHMENT.—Not later than 60 days
10 after the date of enactment of this section, the At-

1 torney General, in consultation with the Secretary,
2 shall establish the COVID–19 Unemployment Insur-
3 ance Fraud Task Force (in this section referred to
4 as the “Task Force”).

5 (2) DUTIES.—

6 (A) INVESTIGATION.—The Task Force
7 shall investigate fraud with respect to COVID–
8 19 unemployment insurance benefits, including
9 an identification of and investigation into—

10 (i) subject to paragraph (3), any al-
11 leged instance of fraudulent payment of
12 COVID–19 unemployment insurance bene-
13 fits to any individual, entity, or organiza-
14 tion (either foreign or domestic) that was
15 not eligible to receive such benefits; and

16 (ii) any alleged instance in which an
17 individual, entity, or organization (either
18 foreign or domestic) stole or attempted to
19 steal the identity or personally identifiable
20 information of any United States citizen in
21 an effort to obtain COVID–19 unemploy-
22 ment insurance benefits, including any in-
23 stance of synthetic identity theft.

24 (B) SUBMISSION OF FINDINGS TO ATTOR-
25 NEY GENERAL.—The Task Force shall submit

1 to the Attorney General the Task Force's find-
2 ings with respect to the investigation conducted
3 under subparagraph (A) to assist the Attorney
4 General in the prosecution of fraud concerning
5 COVID-19 unemployment insurance benefits.

6 (3) CLARIFICATION.—The investigation con-
7 ducted under paragraph (2)(A) shall not include an
8 identification of or investigation into any improper
9 payment of COVID-19 unemployment insurance
10 benefits to any individual that was eligible to receive
11 such benefits.

12 (b) MEMBERSHIP.—

13 (1) IN GENERAL.—The Attorney General, in
14 consultation with the Secretary, shall appoint to the
15 Task Force a representative from each of the fol-
16 lowing:

17 (A) The Office of the Inspector General of
18 the Department of Labor.

19 (B) The Federal Bureau of Investigation.

20 (C) The Department of Homeland Secu-
21 rity.

22 (D) The Internal Revenue Service.

23 (E) The United States Postal Service.

24 (F) The Office of the Inspector General of
25 the Social Security Administration.

1 (G) The Office of the Inspector General of
2 the Department of Homeland Security.

3 (H) A nonprofit organization representing
4 State workforce agencies.

5 (I) A national law enforcement organiza-
6 tion.

7 (J) Any other organization the Attorney
8 General, in consultation with the Secretary, de-
9 termines to be appropriate.

10 (2) PROHIBITION ON COMPENSATION.—The
11 members of the Task Force shall not receive any
12 compensation from the Federal Government by rea-
13 son of their service on the Task Force.

14 (c) REPORT TO CONGRESS.—

15 (1) PRELIMINARY REPORT.—Subject to para-
16 graph (3), not later than 1 year after the date on
17 which the Task Force is established under sub-
18 section (a)(1), the Task Force shall submit to the
19 appropriate committees of Congress a report that
20 contains a detailed description of the following:

21 (A) The Task Force's findings with respect
22 to the investigation conducted under subsection
23 (a)(2)(A), including the following:

24 (i) The total number of individuals
25 and an itemized list of entities and organi-

1 zations (either foreign or domestic) that
2 were identified by the Task Force as hav-
3 ing allegedly obtained or attempted to ob-
4 tain fraudulent payments of COVID-19
5 unemployment insurance benefits, includ-
6 ing the amount of such benefits that were
7 identified by the Task Force as having
8 been obtained.

9 (ii) The total number of individuals
10 and an itemized list of entities and organi-
11 zations (either foreign or domestic) that
12 were identified by the Task Force as hav-
13 ing allegedly stolen or attempted to steal
14 the identity or personally identifiable infor-
15 mation of any United States citizen in an
16 effort to obtain COVID-19 unemployment
17 insurance benefits, including any instance
18 of synthetic identity theft.

19 (iii) The total number of individuals
20 and an itemized list of entities and organi-
21 zations (either foreign or domestic) that
22 were identified by the Attorney General
23 during the period beginning on the date of
24 enactment of the CARES Act (Public Law
25 116-136) and ending on the date of the

1 establishment of the Task Force under
2 subsection (a)(1) as having allegedly ob-
3 tained or attempted to obtain fraudulent
4 payments of COVID–19 unemployment in-
5 surance benefits.

6 (iv) The total number of individuals
7 and an itemized list of entities and organi-
8 zations (either foreign or domestic) that
9 were identified by the Attorney General
10 during the period beginning on the date of
11 enactment of the CARES Act (Public Law
12 116–136) and ending on the date of the
13 establishment of the Task Force under
14 subsection (a)(1) as having allegedly stolen
15 or attempted to steal the identity or per-
16 sonally identifiable information of any
17 United States citizen in an effort to obtain
18 COVID–19 unemployment insurance bene-
19 fits, including any instance of synthetic
20 identity theft.

21 (v) The total number of individuals
22 the Attorney General has prosecuted for
23 fraud concerning COVID–19 unemploy-
24 ment insurance benefits, including a list of
25 the criminal charges brought and any pris-

1 on sentences or accompanying fines im-
2 posed.

3 (B) The steps the Attorney General or the
4 head of any other relevant Federal or State
5 agency is taking, or is planning to take, to
6 prosecute or otherwise penalize the individuals,
7 entities, or organizations described in subpara-
8 graph (A).

9 (C) Any challenge or impediment the At-
10 torney General or the head of any other rel-
11 evant Federal or State agency has encountered
12 in prosecuting or otherwise penalizing such in-
13 dividuals, entities, or organizations.

14 (D) The efforts the Attorney General or
15 the head of any other relevant Federal or State
16 agency is taking, or is planning to take, to re-
17 cover any fraudulent payment of COVID–19
18 unemployment insurance benefits, and the chal-
19 lenges associated with such efforts.

20 (E) The total amount of fraudulent
21 COVID–19 unemployment insurance benefits
22 that were issued by States, including a State-
23 by-State breakdown of such amount.

24 (F) The total amount of fraudulent
25 COVID–19 unemployment insurance benefits

1 that the Attorney General or the head of any
 2 other relevant Federal or State agency has been
 3 able to recover.

4 (G) The specific challenges the Task Force
 5 encountered in carrying out subsection
 6 (a)(2)(A).

7 (2) FINAL REPORT.—Subject to paragraph (3),
 8 not later than 1 year after the submission of the re-
 9 port under paragraph (1), the Task Force shall sub-
 10 mit to the appropriate Committees of Congress a
 11 final report that includes updated information re-
 12 garding subparagraphs (A) through (G) of para-
 13 graph (1).

14 (3) DISCLOSURE OF RETURN INFORMATION.—
 15 No return information (as defined in section 6103(b)
 16 of the Internal Revenue Code of 1986) may be in-
 17 cluded in a report submitted under paragraph (1) or
 18 (2), except as authorized by such section 6103.

19 (d) SUNSET.—The Task Force shall terminate on the
 20 later of—

21 (1) the date on which the Task Force submits
 22 the final report under subsection (c)(2); or

23 (2) a specific date selected by the Attorney
 24 General, in consultation with the Secretary, that
 25 falls after the date set forth in paragraph (1).

1 (e) DEFINITIONS.—

2 (1) APPROPRIATE COMMITTEES OF CON-
3 GRESS.—The term “appropriate committees of Con-
4 gress” means—

5 (A) the Committee on Finance of the Sen-
6 ate;

7 (B) the Committee on the Judiciary of the
8 Senate;

9 (C) the Committee on Homeland Security
10 and Governmental Affairs of the Senate;

11 (D) the Committee on Ways and Means of
12 the House of Representatives;

13 (E) the Committee on the Judiciary of the
14 House of Representatives; and

15 (F) the Committee on Homeland Security
16 of the House of Representatives.

17 (2) COVID–19 UNEMPLOYMENT INSURANCE
18 BENEFITS.—The term “COVID–19 unemployment
19 insurance benefits” means unemployment insurance
20 benefits provided under any of the programs under
21 section 2102, 2104, or 2107 of the CARES Act (15
22 U.S.C. 9021, 9023, 9025).

23 (3) SECRETARY.—The term “Secretary” means
24 the Secretary of Labor.

1 (4) SYNTHETIC IDENTITY THEFT.—The term
2 “synthetic identity theft” means the use of a com-
3 bination of personally identifiable information to fab-
4 ricate an individual or entity in order to commit a
5 dishonest act for personal or financial gain.

6 **SEC. 3. GAO STUDY AND REPORT.**

7 (a) STUDY.—The Comptroller General of the United
8 States (in this section referred to as the “Comptroller
9 General”) shall conduct a study on unemployment insur-
10 ance fraud with respect to COVID–19 unemployment in-
11 surance benefits (as defined in section 2(e)). Such study
12 shall include an analysis of—

13 (1) how the amounts appropriated under sec-
14 tion 2118 of the CARES Act (15 U.S.C. 9034), as
15 added by section 9032 of the American Rescue Plan
16 Act of 2021 (Public Law 117–2), are being utilized
17 by States to—

18 (A) detect and prevent fraud in any such
19 program; and

20 (B) recover any fraudulent payment of
21 COVID–19 unemployment insurance benefits;

22 (2) any reason that such appropriated amounts
23 were not used by States to detect and prevent such
24 fraud and to recover such fraudulent payments;

1 (3) whether such appropriated amounts were
2 successful in helping States to detect and prevent
3 such fraud and to recover such fraudulent payments;
4 and

5 (4) any other area determined appropriate by
6 the Comptroller General.

7 (b) REPORT.—Not later than 1 year after the date
8 of enactment of this section, the Comptroller General shall
9 submit to Congress a report containing the results of the
10 study conducted under subsection (a), together with rec-
11 ommendations for such legislation and administrative ac-
12 tion as the Comptroller General determines appropriate.

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