



TESTIMONY SUPPORTING S. 288

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Unemployment fraud is a tragic crime that steals valuable benefits away from the truly needy and threatens the stability of the unemployment insurance trust fund that is kept solvent through employer taxes. S. 288 sends a strong message to would-be fraudulent actors: Vermont will not tolerate those who assault the social safety net of this state.

According to the U.S. Department of Labor Office of the Inspector General, unemployment insurance programs nationwide paid out nearly \$60 billion in fraudulent and ineligible claims between 2020 and 2023.¹ Some fraud schemes are large enough to merit federal investigation, while others—while still large—only merit a state investigation. But regardless of size, every unemployment fraud scheme threatens the ability of program administrators to pay benefits to workers who are truly out of work through no fault of their own.

S. 288 contains commonsense provisions that will allow the Vermont Department of Labor to collect benefits that were improperly paid to unemployment claimants—individuals who do not qualify for and do not need the benefits. Additionally, the bill establishes time and money penalties to dissuade would-be fraudulent actors from engaging in the type of misconduct that would illicitly gain them benefits.

Sadly, those who would attack the safety will not be deterred by the illegality of their actions. Penalties provide a real-world, concrete consequences to misconduct, and that’s why S. 288 is important.

Vermont will benefit from the enactment of S. 288.

¹ Office of the Inspector General, “COVID-19: PANDEMIC UNEMPLOYMENT ASSISTANCE FOR NON-TRADITIONAL CLAIMANTS WEAKENED BY BILLIONS IN OVERPAYMENTS, INCLUDING FRAUD,” U.S. Department of Labor (2023), <https://www.oig.dol.gov/public/reports/oa/2023/19-23-014-03-315.pdf>.