



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

January 31, 2023

The Honorable James Comer
Chairman
Committee on Oversight and Accountability
United States House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Comer:

The emergence of the COVID-19 pandemic created unprecedented challenges for many federal agencies. It also resulted in criminals finding ways to fraudulently take advantage of the infusion of trillions of dollars in federal funding, which is critical to helping workers in need. The Social Security Administration (SSA) Office of the Inspector General (OIG) plays a key role in combating Social Security number misuse and safeguarding these essential federal funds.

Social Security misuse, including identity theft, is a common thread running through a substantial number of investigations related to pandemic relief funds. SSA OIG is authorized to investigate any situation in which a person misuses a Social Security number, including obtaining a loan or applying for a government benefit.

Since the start of the pandemic, SSA OIG has been working with federal, state, and local law enforcement entities on joint investigations to pursue SSN misuse and other crimes involving the misappropriation of federal pandemic relief funds. These include fraud schemes pertaining to Unemployment Insurance (UI) benefits and Paycheck Protection Program fraud.

The first relief bill, the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (Public Law No: 116-123) became law on March 6, 2020. Almost immediately, criminals began abusing federal programs enacted with the intent to assist those harmed by the pandemic. On February 26, 2021, the U.S. Department of Justice's [National Unemployment Insurance Fraud Task Force](#) issued an [alert](#) to warn of criminals using stolen identities to file fraudulent unemployment insurance claims to exploit benefits related to COVID-19 relief.

Though SSA OIG has a critical role in combatting COVID-19 pandemic fraud, SSA OIG has never received dedicated funding related to pandemic oversight. Nonetheless, SSA OIG continues to make data-driven decisions to prioritize these workloads. Federal law enforcement agencies count on SSA OIG to assist in investigations related to the misuse of federal pandemic relief funds. Since the start of the pandemic, SSA OIG has participated in 159 investigations related to COVID-19 pandemic relief programs, funds, and scams and issued nearly a dozen [COVID-19-related audits](#). SSA OIG has participated in 25 COVID-19 fraud workgroups or taskforces.

As part of the National Unemployment Insurance Fraud Task Force, we are working with the U.S. Secret Service (USSS), U.S. Department of Labor (DOL) OIG, Federal Bureau of Investigation (FBI), Homeland Security Investigations (HSI), Internal Revenue Service (IRS)

Criminal Investigation, U.S. Postal Inspection Service (USPIS), and Department of Homeland Security OIG, in coordination with U.S. Department of Justice, to investigate fraud schemes targeting the UI programs of state workforce agencies. Working in partnership with agencies across federal and state governments improves collaboration, information sharing, and analysis which has protected critical taxpayer dollars.

I want to highlight three SSA OIG investigations related to pandemic relief funds and UI benefits conducted jointly with our law enforcement partners. On January 20, 2023, we announced a [Seattle Man Who Used Stolen Identities to Seek Nearly \\$2 Million in COVID-19 Benefits Pleads Guilty to Wire Fraud and Aggravated Identity Theft](#). Bryan Alan Sparks, 42, pleaded guilty to wire fraud and aggravated identity theft. From March 2020 until at least January 2021, Sparks and his coconspirator Autumn Gail Luna, 23, used stolen personal information of more than 50 Washington residents and businesses to apply for Economic Injury Disaster Loans (EIDL) from the Small Business Administration (SBA) and unemployment benefits from the Washington Employment Security Department (ESD). The pair obtained approximately \$521,900 from SBA and \$519,700 from ESD. They opened fraudulent bank accounts to receive the benefits and had unemployment benefit debit cards mailed to a variety of addresses in the Seattle area. The pair also claimed approximately \$519,700 in unemployment benefits and attempted to obtain at least \$1.98 million in federally funded payments. Sparks is scheduled for sentencing by U.S. District Judge James L. Robart on April 18, 2023.

On February 4, 2022, a [former California Employment Development Department \(EDD\) employee](#) was sentenced to more than five years in prison for fraudulently obtaining nearly \$4.3 million in COVID-19 Relief Funds. She fraudulently obtained UI benefits from the California EDD. The CARES Act established the Pandemic Unemployment Assistance (PUA) program providing UI benefits to individuals impacted by the pandemic who would not otherwise have qualified for UI benefits in California. Under the program, claimants were required to provide an SSN, an address, stated income, and answer certain questions. From April through October 2020, the woman submitted 197 fraudulent applications for PUA benefits. She obtained some of the names, SSNs, and other identifying information from her prior work as a tax preparer. Her actions resulted in losses to EDD and the Treasury of over \$4 million. In August 2021, she pleaded guilty, and a U.S. District Court judge sentenced her to 63 months in federal prison and ordered her to pay \$4,298,093 in restitution.

In October 2020, a UI investigation [led to the arrests of five people and seizure of over \\$1.1 million in cash](#). The charges, announced by the U.S. Attorney's Office for the District of Rhode Island, revealed an alleged scheme to use stolen personally identifiable information to apply for UI benefits and federal and state tax refunds and withdraw the funds shortly after they were direct deposited into accounts set up to receive the fraudulently obtained funds. The resolution of this legal case is still pending. We worked this case jointly with the FBI, IRS Criminal Investigation, DOL OIG, USPIS, USSS, and Rhode Island state agencies.

These are only three examples of the numerous cases SSA OIG conducted jointly with our law enforcement partners. I believe it is essential for the Committee on Oversight and Accountability to examine these issues and the work that federal agencies have performed to address the misuse of federal funding in response to the COVID-19 pandemic. With increased awareness, scammers are put on notice federal agencies will continue to investigate and prosecute individuals who have illegally obtained federal funds. One goal is that these efforts will deter scammers in the future.

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SSA OIG employees continue to work tirelessly to provide essential oversight and to work collaboratively with other federal agencies and law enforcement partners to combat fraud and improper payments related to pandemic relief programs and funds.

Sincerely,

A handwritten signature in cursive script that reads "Gail S. Ennis".

Gail S. Ennis
Inspector General

cc: The Honorable Jamie Raskin, Ranking Member