

## United States Senate

April 27, 2021

The Honorable Marty Walsh  
Secretary of Labor  
U.S. Department of Labor  
200 Constitution Ave NW  
Washington, DC 20210

Dear Secretary Walsh:

I am writing to you today about an important issue facing small businesses in Florida and across the country. As we work to safely reopen our economy and get Americans back to work, I am hearing from many small businesses throughout Florida that, due to fraud and abuse of enhanced federal unemployment benefits, these small businesses are having trouble hiring enough people to meet demand and keep their doors open.

State and federal unemployment benefits have provided a necessary source of assistance for many workers who lost their job and livelihoods due to the COVID-19 pandemic. However, abuse of these benefits hurts America's economic recovery and can be devastating for small businesses who are attempting to safely reopen. According to the latest data from the National Federation of Independent Business (NFIB), despite improved economic conditions, small business owners continue to struggle with hiring. In fact, NFIB's monthly jobs report for March shows that 42% of owners surveyed said they had job openings they could not fill - a record high. According to the NFIB survey, "small business owners are competing with the pandemic and increased unemployment benefits that are keeping some workers out of the labor force."<sup>1</sup>

Unfortunately, the tourism industry continues to be hit the hardest by this trend. According to the U.S. Census Bureau's latest *Small Business Pulse Survey*, 36.6% of U.S. Accommodation and Food Services small businesses' operating capacity was affected by the availability of employees to work in the last few weeks. The national average for all sectors for this statistic was 16.3%.<sup>2</sup>

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<sup>1</sup> <https://www.nfib.com/foundations/research-center/monthly-reports/jobs-report/>

<sup>2</sup> <https://www.census.gov/data/experimental-data-products/small-business-pulse-survey.html>

I understand that current law prohibits workers who refuse suitable work from receiving unemployment benefits. Current law also prohibits workers from remaining on unemployment simply because benefits pay them more than what they would earn after returning to work. Despite this, I am hearing from many Florida businesses and employers that finding workers due to enhanced unemployment benefits continues to be a significant barrier to adequately staffing and reopening their operations.

Earlier this month, we heard testimony from Florida Restaurant and Lodging Association (FRLA) President and CEO Carol Dover in the U.S. Senate Committee on Commerce, Science, and Transportation's Subcommittee on Tourism, Trade and Export Promotion about the labor shortage her members are seeing throughout Florida. Ms. Dover testified that, "Simply put, we are competing with state and federal unemployment benefits. Workers tell us they make too much on unemployment to return to work. So businesses are forced to limit capacity and shorten their hours without adequate staff to serve guests."<sup>3</sup>

Given this feedback from Florida hospitality leaders, it is important we fully understand how the U.S. Department of Labor is working to prevent, detect and address unemployment insurance fraud, waste and abuse. Specifically, I would like to ask you the following questions:

- What is the Department's approach to actively identifying incidences of fraud where people, who have refused a suitable offer of work, continue to receive unemployment benefits in violation of current law? Is this a priority for the Department? Please explain the Department's process and how you work with states and other federal agencies to stop this type of unemployment fraud.
- Section 2102 of the CARES Act of 2020 (Pub. L.116-136) established several criteria by which people could qualify and receive unemployment benefits under the Pandemic Unemployment Assistance (PUA) program if they do not or no longer qualify for their state's unemployment insurance benefit program. Please explain how the Department of Labor monitors and verifies that PUA recipients satisfy, and continue to satisfy, the eligibility requirements set forth by the CARES Act. What controls have been put in place to prevent and curb fraud within this new federal PUA program?
- What actions has the Department taken, or plans to take, to improve accountability and oversight across the entire unemployment benefit system and reduce fraud, waste and abuse, particularly when it comes to identity theft and impersonation?

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<sup>3</sup> <https://thecapitolist.com/carol-dover-highlights-covid-19-impacts-on-floridas-hospitality-industry/>

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I am opposed to policies that harm or slow economic recovery, which is why I offered an amendment to the CARES Act last year to prevent Unemployment Insurance benefits from exceeding a worker's previous salary. We need to be doing everything possible to get our economy reopened and Americans back to work. I look forward to your responses to these important questions and working with you to ensure that those who are eligible and entitled to these benefits continue to receive them in a timely and efficient manner.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rick Scott". The signature is stylized with a large initial "R" and a prominent "S".

Rick Scott  
United States Senator

CC: Mr. Larry D. Turner, Acting Inspector General, U.S. Department of Labor