



Assembly Bill 110: Preventing Prisoner Unemployment Benefit Fraud

SUMMARY

Requires the Employment Development Department (EDD) to cross-check incarceration records in order to prevent paying fraudulent benefits to prison inmates.

BACKGROUND

District attorneys across California have uncovered multiple fraud rings involving state prisoners who coordinated with non-incarcerated accomplices to file unemployment benefits under the federally funded Pandemic Unemployment Assistance program. Generally, those who are incarcerated are prohibited from receiving unemployment benefits from EDD.

EDD's inability to detect and prevent this fraud is completely unacceptable. While the cases are still under investigation by state and local authorities, estimates of the potential fraud payments have been pegged at as much as \$2 billion. To coordinate criminal investigations by state and local prosecutors and law enforcement, the governor appointed a task force that includes officials of the EDD, corrections department and California Highway Patrol. Nevertheless, Legislative action is necessary to stop and prevent further fraud.

NEED FOR THE BILL

Cross-checking lists of unemployment benefit claimants against incarceration data is a common fraud prevention practiced in other states. However, California law restricts the inmate information that can be shared with other state agencies. This bill is needed to enable EDD to easily cross-check claimants' information, including social security numbers, against the relevant information in the database of inmate information maintained by the California Department of Corrections and Rehabilitation

(CDCR) and by the counties.

SOLUTION

AB 110 allows EDD to access incarceration records for the purpose of cross-checking. EDD would be required to perform these checks as part of its fraud prevention efforts before approving benefits and CDCR would be required to work with EDD to facilitate the cross-check process. The bill includes an urgency clause and would take effect immediately upon enactment.

SUPPORT

CalChamber
California State Sheriffs' Association
Orange County Business Council
Orange County District Attorney
Orange County Sheriff's Department

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