

**United States House of Representatives
Committee on Ways and Means
Hearing titled: The Greatest Theft of Taxpayer Dollars: Unchecked
Unemployment Fraud**

**Submitted Written Statement
Social Security Administration
Inspector General Gail S. Ennis
February 8, 2023**

Mr. Chairman, Ranking Member Neal, and Members of the Committee I appreciate the opportunity to submit a written statement for consideration by the Committee for inclusion in the printed record of the hearing.

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.

On January 30, 2023, the Pandemic Response Accountability Committee (PRAC) issued a Fraud Alert titled: PRAC Identifies \$5.4 Billion in Potentially Fraudulent Pandemic Loans Obtained Using Over 69,000 Questionable Social Security Numbers. This demonstrates the widespread use of questionable SSNs to obtain federal funds from the Small Business Administration's (SBA) COVID-19 Economic Injury Disaster Loan (COVID-19 EIDL) program and Paycheck Protection Program (PPP).

The Social Security number is a financial lifeline to government benefits, including pandemic relief programs. Victims of Social Security number misuse face significant harm when scammers obtain benefits in their name: victims may be unable to rightfully receive critical benefits, or they may be left to deal with the ramifications of damaged credit and other issues.

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.

While it will take time to fully understand the extent of the fraud that has occurred, the U.S. Department of Labor estimates that at least \$163 billion of \$873 billion in pandemic unemployment spending was improperly spent, attributing a significant portion to fraud. 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 four of the many investigations related to Pandemic Unemployment Assistance (PUA) program which the SSA OIG Office of Investigation conducted jointly with other law enforcement partners.

On December 30, 2022, Andrice Vanec Sainvil, 20, of Margate, Florida, pleaded guilty and was sentenced to two years in prison for his role in a CARES Act fraud scheme. Sainvil conspired with others to steal the identities of dozens of Oklahomans, use their victims' names and social security numbers to apply for fraudulent UI benefits with the Oklahoma Employment Security Commission ("OESC"), and cause OESC to mail prepaid debit cards containing those fraudulently obtained UI benefits to addresses to which the coconspirators had access throughout the Western District of Oklahoma. The indictment further alleges that Sainvil and others then retrieved those prepaid debit cards and used them to withdraw thousands of dollars in cash from ATMs throughout Oklahoma City and elsewhere. Sainvil pleaded guilty to count three of a six-count indictment against him and admitted that he personally possessed four of those fraudulently obtained UI benefit debit cards, withdrawing more than \$1,000 in cash from three of them. Sainvil was then sentenced to two years in prison, to be followed by three years of supervised release. He was further ordered to pay \$26,699.80 in restitution to OESC, and to forfeit the \$2,658 in proceeds he obtained as a result of the scheme.

On November 20, 2022, Chrystal Miesha Slaughter (Thompson), 34, was sentenced in U.S. District Court in Jackson. Slaughter was ordered to pay \$205,262.89 in restitution to the victims in this case. According to court documents and statements made in court, Slaughter used the personal identifying information of her victims to obtain loans from various banks, acquire lines of credit, purchase a luxury vehicle, and finance trips to locations such as South Beach, Florida. While on pretrial release after being indicted by a federal grand jury on eight counts for committing these offenses, Slaughter fraudulently applied for unemployment insurance benefits from the State of Mississippi and the State of Georgia. Slaughter was fraudulently claiming Mississippi and Georgia unemployment insurance benefits simultaneously.

On April 7, 2022, Marietta Ravnaas, 52, was sentenced to two years of probation, restitution in the amount of \$8,200 to Commonwealth of Massachusetts, Department of Unemployment Assistance, and restitution in the amount of \$12,100 to Washington State. The conviction stemmed from incidents beginning on or about May 20, 2020, and continuing through November 18, 2020, when Ravnaas knowingly participated in a wire fraud scheme to fraudulently obtain CARES Act unemployment benefits. On multiple occasions Ravnaas knowingly allowed the fraudulently obtained unemployment benefits payments to be deposited into her bank account. Ravnaas frequently transferred the funds to other participants using WorldRemit, an international money transfer service. Ravnaas received items in the mail that pertained to fraudulent unemployment benefits, including a fraudulent check from the State of New York and a fraudulently obtained debit card from the State of Michigan. Ravnaas conducted financial transactions using WorldRemit, knowing that the financial transactions were designed in whole or in part to conceal or disguise the nature, location, source, ownership, or control of the proceeds of the wire fraud scheme.

On October 28, 2021, Nelson Fornah, 35, was charged by State of Pennsylvania Attorney General Josh Shapiro for stealing the personal identifying information of several intellectually disabled people in his care to fraudulently apply for and receive nearly \$90,000 in PUA funding. Fornah a caregiver from Darby, Pa., used the stolen and false information of seven disabled clients in his care across Delaware and Montgomery Counties to apply for and receive a total of \$89,418.82 in PUA benefits. Beginning in July 2020, Fornah created phony email addresses for the victims of his scheme, the phone numbers on each application were his own. When he obtained the loaded U.S. Bank cards, the accounts were quickly depleted through multiple ATM withdrawals and purchases at various locations. In addition, Fornah also fraudulently applied for and was denied PUA benefits using his own information even though records confirm he remained fully employed prior to and through the pandemic. Following this rejection by the PA L&I, he lied about his employment status to apply for the standard PA unemployment compensation benefits and received more than \$14,000 as a result. Fornah also attempted to use his clients' stolen personal identifying information to apply for unemployment benefits from the State of New Jersey.

These are only four examples of the numerous cases SSA OIG conducted jointly with our law enforcement partners. I believe it is essential for the Committee on Ways and Means 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. OIG offices need the support of the U.S. Congress to more effectively address pandemic-related fraud and continue to work to recover stolen federal funds. Further, U.S. Congress highlighting the use of illegal fund helps put scammers on notice that federal agencies will continue to investigate and prosecute individuals who have illegally obtained federal funds.

Our goal is to hold accountable individuals who defrauded pandemic programs and stole critical pandemic relief funding from businesses and individuals facing economic impacts of the pandemic. 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.