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**BAUCUS LOOKS TO IMPROVE UNEMPLOYMENT INSURANCE PROGRAM,
PRESERVE FUNDING FOR INDIVIDUALS IN SEARCH OF WORK**

Finance Chairman Examines Ways to Decrease Overpayments, Fight Fraud

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) convened a hearing today examining ways to improve the Unemployment Insurance program by decreasing costly overpayments. Baucus underscored the importance of protecting the integrity of the UI program and preserving the aid that keeps families and individuals afloat while they transition to new jobs.

“Unemployment Insurance serves as a bridge to a new job for millions of Americans, and as we continue to work on creating jobs, we have to keep that bridge intact,” said Baucus. **“We should consider every proposal to curb fraud and abuse while fighting to preserve benefits for those in need. Losing more than \$17 billion a year to fraud and waste is an outrage, and I am committed to protecting these taxpayer dollars. These dollars lost to overpayment and fraud could instead help individuals and families confront these tough economic times and continue the search for work and help us reduce the deficit.”**

According to the Department of Labor, overpayments in the UI program totaled over \$17 billion in 2010. Those overpayments can be caused by UI recipients continuing to claim benefits after finding work, errors in the system verifying eligibility or payments continuing to those who would otherwise be disqualified because they have stopped pursuing a new job or fail to meet other state requirements.

At the hearing, Baucus heard from witnesses about the challenges facing states as they manage UI payments, and he asserted his commitment to cutting down on waste, fraud and abuse. The witnesses noted that the technology used to maintain the UI program is often considerably outdated, and they discussed how that deficiency can contribute to overpayments. Baucus pushed for new solutions to address that problem, like updating the technological infrastructure of the UI program and equipping states and localities with the tools needed to track new hires and unregistered businesses. Baucus also addressed the wide disparity in overpayment rates across states and asked for new ideas to drop those rates across the board. Jane Oates, the Assistant Secretary for Employment and Training at the U.S. Department of Labor, said that with the proper action, overpayments could be cut in half within a few years.

Today’s hearing builds upon [Baucus's recent efforts to improve](#) the financial integrity of the UI system. Baucus worked to pass a law in 2010 to help fight fraud by making it easier to determine when new hires begin working and are no longer eligible for UI and to end the ten-year time limit on overpayment collection.

Watch today’s hearing and view witness testimony on the Committee website at <http://finance.senate.gov/hearings>.

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