

119TH CONGRESS
2D SESSION

H. R. 8873

AN ACT

To recover unclaimed pandemic-era unemployment compensation funds held by financial institutions or escheated to State unclaimed property administrators, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Recover COVID Un-
3 employment Fraud in Banks Act”.

4 **SEC. 2. NATIONAL RECOVERY COORDINATOR AND TASK**
5 **FORCE.**

6 (a) IN GENERAL.—

7 (1) DESIGNATION OF NATIONAL RECOVERY CO-
8 ORDINATOR.—The Secretary of Labor, in consulta-
9 tion with the Secretary of the Treasury, the Inspec-
10 tor General of the Department of Labor, and the At-
11 torney General, shall designate an official to serve as
12 National Recovery Coordinator to oversee and co-
13 ordinate the activities and responsibilities of the task
14 force described in paragraph (2).

15 (2) TASK FORCE ESTABLISHMENT.—Not later
16 than 30 days after the date of enactment of this
17 Act, the National Recovery Coordinator shall con-
18 vene a task force to be named the “Recover Pan-
19 demic Unemployment Funds in Banks Task Force”
20 (in this section, the “Task Force”).

21 (3) MEMBERS.—The Task Force shall in-
22 clude—

23 (A) the Attorney General, or their des-
24 ignee;

25 (B) the Secretary of Labor, or their des-
26 ignee;

1 (C) the Inspector General of the Depart-
2 ment of Labor, or their designee;

3 (D) the Secretary of the Treasury, or their
4 designee;

5 (E) the Chairman of the Federal Deposit
6 Insurance Corporation, or their designee; and

7 (F) the Director of the Consumer Finan-
8 cial Protection Bureau, or their designee.

9 (b) TASK FORCE RESPONSIBILITIES.—It shall be the
10 responsibility of the Task Force to—

11 (1) coordinate with applicable State agencies to
12 identify Federal pandemic unemployment compensa-
13 tion payments issued on prepaid debit cards that—

14 (A) are held by financial institutions, and
15 other entities identified by the Inspector Gen-
16 eral of the Department of Labor, contracted by
17 a State agency to transfer such payments to
18 unemployment claimants; or

19 (B) were transferred by such an entity to,
20 and are currently held by, a State agency re-
21 sponsible for unclaimed property;

22 (2) coordinate with appropriate Federal agen-
23 cies to develop model processes which comply with
24 relevant Federal and State laws and result in cost-
25 effective recovery of the payments identified under

1 paragraph (1), including issuing guidance, in coordi-
2 nation with the Secretary of Labor, to administra-
3 tors of State agencies responsible for administering
4 Federal unemployment compensation payments or
5 determining fraud in such programs, including—

6 (A) guidelines for—

7 (i) reviewing such payments and de-
8 termining if such a payment was an im-
9 proper payment;

10 (ii) determining whether cost-effective
11 recovery of an improper payment is pos-
12 sible, including a threshold, or a method-
13 ology for calculating a dollar threshold, for
14 cost-effective recovery; and

15 (iii) actions, consistent with State law,
16 to be taken by the State agency if an im-
17 proper payment is determined to be the re-
18 sult of fraud;

19 (B) assurances that, subject to section
20 303(g) of the Social Security Act (42 U.S.C.
21 503(g)), any action taken in relation to a deter-
22 mination that a payment identified under para-
23 graph (1) is an improper payment shall be
24 taken under State law;

1 (C) a model notice and information, devel-
2 oped in coordination with the Consumer Finan-
3 cial Protection Bureau, about resources avail-
4 able to individuals whose identity information is
5 determined to have been fraudulently used to
6 obtain Federal pandemic unemployment com-
7 pensation;

8 (D) information on the legal pathways de-
9 scribed under paragraphs (3) and (4) for recov-
10 ery of payments that are improper payments
11 held by financial institutions and agencies de-
12 scribed in paragraph (1); and

13 (E) procedural requirements for State
14 agencies to follow when funds are returned by
15 such institutions that provides a standardized
16 methodology to return funds to the Federal
17 Government;

18 (3) issue guidance, in coordination with the
19 Comptroller of the Currency and Chairman of the
20 Federal Deposit Insurance Corporation, to financial
21 institutions described in paragraph (1) that are
22 holding payments that are improper payments that
23 provides information on a legal pathway, consistent
24 with banking regulations and applicable contracts

1 with State agencies, for returning such payments to
2 the appropriate State agency; and

3 (4) issue guidance, in coordination with the
4 Secretary of Treasury, to administrators of State
5 agencies responsible for unclaimed property on the
6 obligations of such agencies to review and return
7 payments described in paragraph (1)(B) to the ap-
8 propriate State agency.

9 (c) CONSULTATION REQUIREMENT.—In developing
10 the guidance required to be issued under paragraphs (2),
11 (3), and (4) of subsection (b), the Task Force shall consult
12 with State agencies and incorporate best practices from
13 previous attempts by any such States to recover payments
14 determined to be improper payments from institutions de-
15 scribed in paragraph (1)(A) of such subsection.

16 (d) STATE ADMINISTRATIVE COSTS.—The Secretary
17 of Labor shall reimburse States for all administrative
18 costs incurred as a result of coordination with the Task
19 Force by reason of an agreement under section 2102,
20 2104, or 2107 of the CARES Act (15 U.S.C. 9201; 9203;
21 9205).

22 (e) DEFINITIONS.—Except as otherwise specified, in
23 this section:

1 (1) FEDERAL PANDEMIC UNEMPLOYMENT COM-
2 PENSATION.—The term “Federal pandemic unem-
3 ployment compensation” means a payment of—

4 (A) pandemic unemployment assistance
5 under section 2102(b) of the CARES Act (15
6 U.S.C. 9021(b));

7 (B) Federal Pandemic Unemployment
8 Compensation and Mixed Earner Unemploy-
9 ment Compensation under section 2104(b)(1) of
10 the CARES Act (15 U.S.C. 9023(b)(1)); and

11 (C) pandemic emergency unemployment
12 compensation under section 2107(a)(2) of the
13 CARES Act (15 U.S.C. 9025(a)(2)).

14 (2) IMPROPER PAYMENT.—The term “improper
15 payment” means any amount of a pandemic unem-
16 ployment payment to which the individual is not en-
17 titled.

18 (3) STATE; STATE AGENCY; STATE LAW.—The
19 terms “State”, “State agency”, and “State law”
20 have the meanings given those terms in section 205
21 of the Federal-State Extended Unemployment Com-
22 pensation Act of 1970 (26 U.S.C. 3304 note).

1 **SEC. 3. EXTENSION OF THE STATUTE OF LIMITATIONS FOR**
2 **PANDEMIC UNEMPLOYMENT FRAUD BY INDIVIDUALS UNDER CERTAIN UNEMPLOYMENT**
3 **PROGRAMS.**
4

5 (a) PANDEMIC UNEMPLOYMENT ASSISTANCE.—Section
6 2102 of the CARES Act (15 U.S.C. 9021) is amended—
7 ed—

8 (1) by redesignating subsection (h) as subsection (i); and
9

10 (2) by inserting after subsection (g) the following new subsection:
11

12 “(h) STATUTE OF LIMITATIONS.—

13 “(1) IN GENERAL.—Notwithstanding any other
14 provision of law and subject to paragraph (2), any
15 criminal prosecution or civil enforcement action for
16 a violation of, or conspiracy to violate, section 371,
17 641, 1028A, 1029, 1341, 1343, 1344, 1349, 1956,
18 or 1957 of title 18, United States Code, or section
19 3729 or 3802 of title 31, United States Code, with
20 respect to any unemployment compensation claim
21 funded in whole or in part by pandemic unemployment
22 assistance under this section shall be brought
23 not later than 10 years after the date of the violation
24 or conspiracy.

25 “(2) EXCEPTION.—Paragraph (1) shall not
26 apply with respect to a criminal prosecution or civil

1 enforcement action if the statute of limitations appli-
2 cable to such criminal prosecution or civil enforce-
3 ment action expired prior to the date of enactment
4 of the Recover COVID Unemployment Fraud in
5 Banks Act.”.

6 (b) FEDERAL PANDEMIC UNEMPLOYMENT COM-
7 PENSATION AND MIXED EARNER UNEMPLOYMENT COM-
8 PENSATION.—Section 2104(f) of the CARES Act (15
9 U.S.C. 9023(f)) is amended by adding at the end the fol-
10 lowing new paragraph:

11 “(5) STATUTE OF LIMITATIONS.—

12 “(A) IN GENERAL.—Notwithstanding any
13 other provision of law and subject to subpara-
14 graph (B), any criminal prosecution or civil en-
15 forcement action for a violation of, or con-
16 spiracy to violate, section 371, 641, 1028A,
17 1029, 1341, 1343, 1344, 1349, 1956, or 1957
18 of title 18, United States Code, or section 3729
19 or 3802 of title 31, United States Code, with
20 respect to any unemployment compensation
21 claim funded in whole or in part by Federal
22 Pandemic Unemployment Compensation or
23 Mixed Earner Unemployment Compensation
24 under this section shall be brought not later

1 than 10 years after the date of the violation or
2 conspiracy.

3 “(B) EXCEPTION.—Subparagraph (A)
4 shall not apply with respect to a criminal pros-
5 ecution or civil enforcement action if the statute
6 of limitations applicable to such criminal pros-
7 ecution or civil enforcement action expired prior
8 to the date of enactment of the Recover COVID
9 Unemployment Fraud in Banks Act.”.

10 (c) PANDEMIC EMERGENCY UNEMPLOYMENT COM-
11 PENSATION.—Section 2107(e) of the CARES Act (15
12 U.S.C. 9025(e)) is amended by adding at the end the fol-
13 lowing new paragraph:

14 “(5) STATUTE OF LIMITATIONS.—

15 “(A) IN GENERAL.—Notwithstanding any
16 other provision of law and subject to subpara-
17 graph (B), any criminal prosecution or civil en-
18 forcement action for a violation of, or con-
19 spiracy to violate, section 371, 641, 1028A,
20 1029, 1341, 1343, 1344, 1349, 1956, or 1957
21 of title 18, United States Code, or section 3729
22 or 3802 of title 31, United States Code, with
23 respect to any unemployment compensation
24 claim funded in whole or in part by Pandemic
25 Emergency Unemployment Compensation under

1 this section shall be brought not later than 10
2 years after the date of the violation or con-
3 spiracy.

4 “(B) EXCEPTION.—Subparagraph (A)
5 shall not apply with respect to a criminal pros-
6 ecution or civil enforcement action if the statute
7 of limitations applicable to such criminal pros-
8 ecution or civil enforcement action expired prior
9 to the date of enactment of the Recover COVID
10 Unemployment Fraud in Banks Act.”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 section Act shall take effect on the date of enactment of
13 this Act.

Passed the House of Representatives June 29, 2026.

Attest:

Clerk.

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