IIB

119TH CONGRESS
2D SESSION

H. R. 8873

IN THE SENATE OF THE UNITED STATES

JULY 13, 2026
Received; read twice and referred to the Committee on Finance

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Recover COVID Unemployment Fraud in Banks Act’’.

SEC. 2. NATIONAL RECOVERY COORDINATOR AND TASK FORCE.

(a) IN GENERAL.—

(1) DESIGNATION OF NATIONAL RECOVERY COORDINATOR.—The Secretary of Labor, in consultation with the Secretary of the Treasury, the Inspector General of the Department of Labor, and the Attorney General, shall designate an official to serve as National Recovery Coordinator to oversee and coordinate the activities and responsibilities of the task force described in paragraph (2).

(2) TASK FORCE ESTABLISHMENT.—Not later than 30 days after the date of enactment of this Act, the National Recovery Coordinator shall convene a task force to be named the ‘‘Recover Pandemic Unemployment Funds in Banks Task Force’’ (in this section, the ‘‘Task Force’’).

(3) MEMBERS.—The Task Force shall include—

(A) the Attorney General, or their designee;

(B) the Secretary of Labor, or their designee;

(C) the Inspector General of the Department of Labor, or their designee;

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

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

(F) the Director of the Consumer Financial Protection Bureau, or their designee.

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

(1) coordinate with applicable State agencies to identify Federal pandemic unemployment compensation payments issued on prepaid debit cards that—

(A) are held by financial institutions, and other entities identified by the Inspector General of the Department of Labor, contracted by a State agency to transfer such payments to unemployment claimants; or

(B) were transferred by such an entity to, and are currently held by, a State agency responsible for unclaimed property;

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

paragraph (1), including issuing guidance, in coordination with the Secretary of Labor, to administrators of State agencies responsible for administering Federal unemployment compensation payments or determining fraud in such programs, including—

(A) guidelines for—

(i) reviewing such payments and determining if such a payment was an improper payment;

(ii) determining whether cost-effective recovery of an improper payment is possible, including a threshold, or a methodology for calculating a dollar threshold, for cost-effective recovery; and

(iii) actions, consistent with State law, to be taken by the State agency if an improper payment is determined to be the result of fraud;

(B) assurances that, subject to section 303(g) of the Social Security Act (42 U.S.C. 503(g)), any action taken in relation to a determination that a payment identified under paragraph (1) is an improper payment shall be taken under State law;

(C) a model notice and information, developed in coordination with the Consumer Financial Protection Bureau, about resources available to individuals whose identity information is determined to have been fraudulently used to obtain Federal pandemic unemployment compensation;

(D) information on the legal pathways described under paragraphs (3) and (4) for recovery of payments that are improper payments held by financial institutions and agencies described in paragraph (1); and

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

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

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

(4) issue guidance, in coordination with the Secretary of Treasury, to administrators of State agencies responsible for unclaimed property on the obligations of such agencies to review and return payments described in paragraph (1)(B) to the appropriate State agency.

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

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

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

(1) FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION.—The term "Federal pandemic unemployment compensation" means a payment of—

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

(B) Federal Pandemic Unemployment Compensation and Mixed Earner Unemployment Compensation under section 2104(b)(1) of the CARES Act (15 U.S.C. 9023(b)(1)); and

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

(2) IMPROPER PAYMENT.—The term "improper payment" means any amount of a pandemic unemployment payment to which the individual is not entitled.

(3) STATE; STATE AGENCY; STATE LAW.—The terms "State", "State agency", and "State law" have the meanings given those terms in section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

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

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

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

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

"(h) STATUTE OF LIMITATIONS.—

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

"(2) EXCEPTION.—Paragraph (1) shall not apply with respect to a criminal prosecution or civil enforcement action if the statute of limitations applicable to such criminal prosecution or civil enforcement action expired prior to the date of enactment of the Recover COVID Unemployment Fraud in Banks Act.''.

(b) FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION AND MIXED EARNER UNEMPLOYMENT COMPENSATION.—Section 2104(f) of the CARES Act (15 U.S.C. 9023(f)) is amended by adding at the end the following new paragraph:

``(5) STATUTE OF LIMITATIONS.—

``(A) IN GENERAL.—Notwithstanding any other provision of law and subject to subparagraph (B), any criminal prosecution or civil enforcement action for a violation of, or conspiracy to violate, section 371, 641, 1028A, 1029, 1341, 1343, 1344, 1349, 1956, or 1957 of title 18, United States Code, or section 3729 or 3802 of title 31, United States Code, with respect to any unemployment compensation claim funded in whole or in part by Federal Pandemic Unemployment Compensation or Mixed Earner Unemployment Compensation under this section shall be brought not later than 10 years after the date of the violation or conspiracy.

"(B) EXCEPTION.—Subparagraph (A) shall not apply with respect to a criminal prosecution or civil enforcement action if the statute of limitations applicable to such criminal prosecution or civil enforcement action expired prior to the date of enactment of the Recover COVID Unemployment Fraud in Banks Act.".

(c) PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION.—Section 2107(e) of the CARES Act (15 U.S.C. 9025(e)) is amended by adding at the end the following new paragraph:

"(5) STATUTE OF LIMITATIONS.—

"(A) IN GENERAL.—Notwithstanding any other provision of law and subject to subparagraph (B), any criminal prosecution or civil enforcement action for a violation of, or conspiracy to violate, section 371, 641, 1028A, 1029, 1341, 1343, 1344, 1349, 1956, or 1957 of title 18, United States Code, or section 3729 or 3802 of title 31, United States Code, with respect to any unemployment compensation claim funded in whole or in part by Pandemic Emergency Unemployment Compensation under this section shall be brought not later than 10 years after the date of the violation or conspiracy.

"(B) Exception.—Subparagraph (A) shall not apply with respect to a criminal prosecution or civil enforcement action if the statute of limitations applicable to such criminal prosecution or civil enforcement action expired prior to the date of enactment of the Recover COVID Unemployment Fraud in Banks Act.".

(d) Effective Date.—The amendments made by section Act shall take effect on the date of enactment of this Act.

Passed the House of Representatives June 29, 2026.

Attest: KEVIN F. MCCUMBER,

Clerk.