

WRITTEN TESTIMONY OF CHAIRMAN DAVE REICHERT (R-WA)
ON THE PERMANENTLY ENDING RECEIPT BY PRISONERS ACT
BEFORE THE SUBCOMMITTEE ON HUMAN RESOURCES
COMMITTEE ON WAYS & MEANS
JUNE 3, 2015

Chairman Boustany, Ranking Member Doggett, thank you for having me before you today to talk about the Permanently Ending Receipt by Prisoners (or PERP) Act. As you are aware, I introduced this bill last Congress as Chairman of this Subcommittee with the full support of many of you sitting here today, and I appreciate Chairman Boustany's continued support as well as Mr. Renacci's for joining me once again in introducing this common-sense piece of legislation.

The PERP Act is very straightforward. Under existing UI program rules that operate in all States, an individual must be able, available, and actively seeking work in order to be eligible to collect UI benefits, which are paid to those who are unemployed through no fault of their own. Individuals confined in jails, prisons, and other penal institutions are by definition not "able and available" to work and have historically been presumed to be not eligible for UI benefits.

However, in recent years, thanks to news articles in multiple states, it has become clear that this law is not being properly enforced. Headlines included: from Illinois: "State: More than \$2M in Unemployment Benefits Went to Inmates" (10/9/12); from New Jersey: "Audit Says 20,000 Inmates Were Mistakenly Paid Nearly \$24M in State and Federal Benefits" (5/29/13); from Pennsylvania: "Inmates Collect Millions in Unemployment Benefits in Philadelphia Jails" (2/20/13); and from South Carolina: "Government Waste—Inmates Collecting Millions in Fraudulent Unemployment Checks" (2/21/13). These articles, and many others, make clear that tax payer money is being wasted on these payments by the millions.

We must make it crystal clear that this is absolutely unacceptable. Incarcerated individuals should not be receiving unemployment benefits meant for individuals and families fallen on hard times and working to get back on their feet. And states must be making affirmative efforts to end this abuse. Law-abiding tax payers should never have to worry that their tax dollars are being spent on improper payments to those who have broken the same laws they work so hard to follow.

The PERP Act resolves this problem by taking the following steps:

1. Bars States from paying UI checks to local, state and federal prisoners, strengthening a current implied prohibition because prisoners are not "able and available" for work; and
2. Requires State UI agencies to regularly compare UI rolls with currently available inmate rosters to ensure UI checks are not paid to current inmates. At a minimum, States must access and use prisoner information the Social Security Administration has collected and used since the late-1990s to prevent the payment of Supplemental Security Income (SSI) benefit checks to currently incarcerated individuals. This current data match is simple,

quick, and efficient, and can readily be replicated by States to ensure that UI benefit checks are not paid to prisoners.

In 2011, the UI program paid out a total of \$10.3 billion in improper payments. By ensuring that none of those payments continue to go to individuals in jails and prisons, we can take a major step towards decreasing that total amount. By ending the reliance on self-reporting of ineligibility for UI benefits, and instead requiring States to use already existing federal databases of prisoners, we can create a simple, efficient, and affordable system to ensure a better UI payment system.

I thank my Ways and Means colleagues again for listening to my testimony today and I urge you all to move quickly on this issue so that we can enact responsible legislation and make sure taxpayer dollars are being used for good rather than irresponsible governance.

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