

WEST VIRGINIA LEGISLATURE
Joint Committee on Government and Finance

Building 1, Room E-132
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Aaron Allred

Legislative Manager
Legislative Auditor

August 31, 2011

The Honorable Herb Snyder
State Senate
Room 217W, Building 1
State Capitol Complex
Charleston, WV 25305

The Honorable Jim Morgan
House of Delegates
Building 1, Room E-213
1900 Kanawha Boulevard, East
Charleston, WV 25305-0470

Dear Chairs:

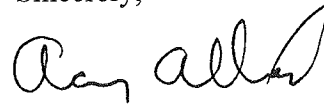
The Performance Evaluation and Research Division of the Legislative Auditor's Office (PERD) recently collaborated with Unemployment Compensation (UC) to examine whether persons in correctional custody are receiving unemployment benefits. To conduct this review, PERD requested a list of all persons currently in the custody of the Division of Corrections and the Regional Jail Authority. PERD then supplied this information to Unemployment Compensation.

UC found a total of 30 persons receiving unemployment compensation benefits while incarcerated. These 30 persons received a total of over 700 weeks of claims and over \$150,000 in benefits. One person received unemployment benefits for 135 weeks while incarcerated. *WVC* §21A-6-1(3) requires that for a person to be eligible for unemployment benefits "He or she is able to work and is available for full-time work. . . ."

Unemployment Compensation attributes the wrongful payments to these 30 individuals to the fact that persons can file unemployment claims online and over the telephone. UC believes that another family member was filing unemployment claims on the incarcerated behalf. To correct this issue in the future, UC plans to work with the Division of Corrections to conduct a yearly cross-match of persons in correctional custody. Unemployment Compensation has also purchased an auto dialer like those used by telemarketers. UC plans to use the auto dialer to call

all unemployment recipients and remind them of the penalties for falsely claiming benefits. UC is also going to create press releases to draw attention to the issue and the associated penalties for falsifying claims.

Sincerely,

A handwritten signature in black ink, appearing to read "Aaron Allred". The signature is fluid and cursive, with the first name "Aaron" and the last name "Allred" clearly distinguishable.

Aaron Allred
Legislative Auditor

c: Christine F. Morris, Deputy Cabinet Secretary, Department of Military Affairs and Public Safety
Michael Moore, Director, Workforce West Virginia