

JOSH HARDER
10TH DISTRICT, CALIFORNIA

COMMITTEE ON
AGRICULTURE

COMMITTEE ON
EDUCATION AND LABOR

Congress of the United States
House of Representatives
Washington, DC 20515

131 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-4540—PHONE
(202) 225-3402—FAX

4701 SISK ROAD, SUITE 202
MODESTO, CA 95356
(209) 579-5458—PHONE
(209) 579-5028—FAX

www.harder.house.gov

January 20, 2021

Commissioner Charles Rettig
Internal Revenue Service
U.S. Department of the Treasury
1111 Constitution Avenue NW
Washington, DC 20224

CC
Director Rita Saenz
California Employment Development Department
PO Box 826880, MIC 83
Sacramento, CA 94280-0001

Dear Commissioner Rettig,

I write today to urge the Internal Revenue Service (IRS) to take proactive measures identifying and resolving the high number of unemployment identity fraud cases this tax season. There is a concern that my constituents will be left dealing with tax bills originating from fraudulent claims made in their names.

The fraud that has occurred in California is staggering. Our state's Employment Development Department (EDD) has potentially distributed upwards of \$8 billion in fraudulent claims since this pandemic began.¹ For many affected, the Federal Bureau of Investigation (FBI) has said that they may only learn that they are victims of identity fraud when they receive an IRS Form 1099-G in the mail.² As this has been an ongoing problem and the FBI first raised this concern in July of 2020, I write to inquire a response to the following questions:

1. What is the IRS doing to proactively address unemployment identity fraud and minimize the burden on fraud victims?
2. How are you working with unemployment departments, such as California's EDD to resolve tax bills before they are sent to fraud victims?

The only guidance currently issued by your agency on unemployment benefit fraud is a simple alert stating that verified fraudulent claims should not be reported on the IRS Form 1099-G.³ This is insufficient guidance for victims. I urge you to create a streamlined and easy-to-understand process so

¹ *ABC 30*, Michael Finney and Randall Yip, "[California unemployment fraud 4 times worse than first reported; \\$8 billion paid to criminals](#)," January 13, 2021.

² *Federal Bureau of Investigation*, Press Office, '[FBI Sees Spike in Fraudulent Unemployment Insurance Claims Filed Using Stolen Identities](#)', July 2, 2020.

³ *Internal Revenue Service*, '[Identity theft guidance regarding unemployment compensation reporting](#)'. December 29, 2020

that none of my constituents are lost disputing a fraudulent tax bill. As you know, this year's tax season is fast approaching, so I urge quick action. Thank you for your attention to this critical matter and I look forward to your timely response.

Sincerely,

A handwritten signature in black ink that reads "Josh Harder". The signature is written in a cursive style and is positioned above a solid horizontal line.

Josh Harder

United States Representative (CA-10)