

119TH CONGRESS
2D SESSION

S. 5272

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

IN THE SENATE OF THE UNITED STATES

AUGUST 5, 2026

Mr. LANKFORD introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

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

6 **SEC. 2. NATIONAL RECOVERY COORDINATOR AND TASK** 7 **FORCE.**

8 (a) IN GENERAL.—

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

9 (2) TASK FORCE ESTABLISHMENT.—Not later
10 than 30 days after the date of enactment of this
11 Act, the National Recovery Coordinator shall con-
12 vene a task force to be named the “Recover Pan-
13 demic Unemployment Funds in Banks Task Force”
14 (in this section referred to as the “Task Force”).

15 (3) MEMBERS.—The Task Force shall in-
16 clude—

17 (A) the Attorney General, or their des-
18 ignee;

19 (B) the Secretary of Labor, or their des-
20 ignee;

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

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

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

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

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

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

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

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

18 (2) coordinate with appropriate Federal agen-
19 cies to develop model processes which comply with
20 relevant Federal and State laws and result in cost-
21 effective recovery of the payments identified under
22 paragraph (1), including issuing guidance, in coordi-
23 nation with the Secretary of Labor, to administra-
24 tors of State agencies responsible for administering

1 Federal unemployment compensation payments or
2 determining fraud in such programs, including—

3 (A) guidelines for—

4 (i) reviewing such payments and de-
5 termining if such a payment was an im-
6 proper payment;

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

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

16 (B) assurances that, subject to section
17 303(g) of the Social Security Act (42 U.S.C.
18 503(g)), any action taken in relation to a deter-
19 mination that a payment identified under para-
20 graph (1) is an improper payment shall be
21 taken under State law;

22 (C) a model notice and information, devel-
23 oped in coordination with the Consumer Finan-
24 cial Protection Bureau, about resources avail-
25 able to individuals whose identity information is

1 determined to have been fraudulently used to
2 obtain Federal pandemic unemployment com-
3 pensation;

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

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

14 (3) issue guidance, in coordination with the
15 Comptroller of the Currency and Chairman of the
16 Federal Deposit Insurance Corporation, to financial
17 institutions described in paragraph (1) that are
18 holding payments that are improper payments that
19 provides information on a legal pathway, consistent
20 with banking regulations and applicable contracts
21 with State agencies, for returning such payments to
22 the appropriate State agency; and

23 (4) issue guidance, in coordination with the
24 Secretary of Treasury, to administrators of State
25 agencies responsible for unclaimed property on the

1 obligations of such agencies to review and return
2 payments described in paragraph (1)(B) to the ap-
3 propriate State agency.

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

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

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

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

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

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

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

8 (2) IMPROPER PAYMENT.—The term “improper
 9 payment” means any amount of a pandemic unem-
 10 ployment payment to which the individual is not en-
 11 titled.

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

17 **SEC. 3. EXTENSION OF THE STATUTE OF LIMITATIONS FOR**
 18 **PANDEMIC UNEMPLOYMENT FRAUD BY INDIV-**
 19 **VIDUALS UNDER CERTAIN UNEMPLOYMENT**
 20 **PROGRAMS.**

21 (a) PANDEMIC UNEMPLOYMENT ASSISTANCE.—Sec-
 22 tion 2102 of the CARES Act (15 U.S.C. 9021) is amend-
 23 ed—

24 (1) by redesignating subsection (h) as sub-
 25 section (i); and

1 (2) by inserting after subsection (g) the fol-
 2 lowing new subsection:

3 “(h) STATUTE OF LIMITATIONS.—

4 “(1) IN GENERAL.—Notwithstanding any other
 5 provision of law and subject to paragraph (2), any
 6 criminal prosecution or civil enforcement action for
 7 a violation of, or conspiracy to violate, section 371,
 8 641, 1028A, 1029, 1341, 1343, 1344, 1349, 1956,
 9 or 1957 of title 18, United States Code, or section
 10 3729 or 3802 of title 31, United States Code, with
 11 respect to any unemployment compensation claim
 12 funded in whole or in part by pandemic unemploy-
 13 ment assistance under this section shall be brought
 14 not later than 10 years after the date of the viola-
 15 tion or conspiracy.

16 “(2) EXCEPTION.—Paragraph (1) shall not
 17 apply with respect to a criminal prosecution or civil
 18 enforcement action if the statute of limitations appli-
 19 cable to such criminal prosecution or civil enforce-
 20 ment action expired prior to the date of enactment
 21 of the Recover COVID Unemployment Fraud in
 22 Banks Act.”.

23 (b) FEDERAL PANDEMIC UNEMPLOYMENT COM-
 24 PENSATION AND MIXED EARNER UNEMPLOYMENT COM-
 25 PENSATION.—Section 2104(f) of the CARES Act (15

1 U.S.C. 9023(f)) is amended by adding at the end the fol-
 2 lowing new paragraph:

3 “(5) STATUTE OF LIMITATIONS.—

4 “(A) IN GENERAL.—Notwithstanding any
 5 other provision of law and subject to subpara-
 6 graph (B), any criminal prosecution or civil en-
 7 forcement action for a violation of, or con-
 8 spiracy to violate, section 371, 641, 1028A,
 9 1029, 1341, 1343, 1344, 1349, 1956, or 1957
 10 of title 18, United States Code, or section 3729
 11 or 3802 of title 31, United States Code, with
 12 respect to any unemployment compensation
 13 claim funded in whole or in part by Federal
 14 Pandemic Unemployment Compensation or
 15 Mixed Earner Unemployment Compensation
 16 under this section shall be brought not later
 17 than 10 years after the date of the violation or
 18 conspiracy.

19 “(B) EXCEPTION.—Subparagraph (A)
 20 shall not apply with respect to a criminal pros-
 21 ecution or civil enforcement action if the statute
 22 of limitations applicable to such criminal pros-
 23 ecution or civil enforcement action expired prior
 24 to the date of enactment of the Recover COVID
 25 Unemployment Fraud in Banks Act.”.

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

5 “(5) STATUTE OF LIMITATIONS.—

6 “(A) IN GENERAL.—Notwithstanding any
7 other provision of law and subject to subpara-
8 graph (B), any criminal prosecution or civil en-
9 forcement action for a violation of, or con-
10 spiracy to violate, section 371, 641, 1028A,
11 1029, 1341, 1343, 1344, 1349, 1956, or 1957
12 of title 18, United States Code, or section 3729
13 or 3802 of title 31, United States Code, with
14 respect to any unemployment compensation
15 claim funded in whole or in part by pandemic
16 emergency unemployment compensation under
17 this section shall be brought not later than 10
18 years after the date of the violation or con-
19 spiracy.

20 “(B) EXCEPTION.—Subparagraph (A)
21 shall not apply with respect to a criminal pros-
22 ecution or civil enforcement action if the statute
23 of limitations applicable to such criminal pros-
24 ecution or civil enforcement action expired prior

1 to the date of enactment of the Recover COVID
2 Unemployment Fraud in Banks Act.”.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall take effect on the date of enactment of
5 this Act.

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