

JAIME HERRERA BEUTLER
3RD DISTRICT, SOUTHWEST WASHINGTON

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON LABOR, HEALTH AND
HUMAN SERVICES, EDUCATION
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February 4, 2021

Acting Commissioner Cami Feek
Washington State Employment Security Department
212 Maple Park Ave. SE
Olympia, WA 98501-2347

Dear Acting Commissioner Feek,

I am writing to draw your attention to incorrect tax information being generated by the Employment Security Department (ESD) and delivered by the Internal Revenue Service (IRS) to individuals who had their identities stolen and fraudulent unemployment claims made in their name.

It has been well documented that tens of thousands of Washingtonians were impacted by the \$600 million in fraud perpetrated under your predecessor. Unfortunately, this fraud is also impacting their federal tax returns. Citizens have provided me with documentation showing that the funds defrauded from the state in their name have been reported to the IRS as taxable income.

Even individuals who took the appropriate steps to notify ESD of the fraud and had their investigations completed have shown me 1099-G forms they have received from the IRS counting the stolen money as taxable income. Because errors have not been fully addressed by ESD, residents may now see their federal stimulus payments garnished, their tax returns reduced or wiped out, or they could suddenly find themselves in debt to the federal government due to taxes they should not owe for income they never received.

I understand that you have the daunting task of not only delivering benefits to Washingtonians in need during this unprecedented crisis, but also correcting a year's worth of errors, inexcusable benefit delays and unresponsiveness that happened on someone else's watch. However, given the potential impact of this problem on those who have been hit hardest by the pandemic -- low-income families, single parents, and those with health conditions that leave them vulnerable to COVID-19 – I urge you to take action now to review and fix incorrect information ESD has reported to the IRS that could further impact these fraud victims.

After enduring the financial and emotional trauma of having their identities used by criminals, the last thing these individuals need is to have to re-enter the bureaucratic maze of forms, clogged phone lines, and dropped calls to correct a problem they didn't create. To prevent further

economic and emotional hardship for these individuals, I urge ESD to immediately take proactive steps to address this issue.

Sincerely,

A handwritten signature in blue ink that reads "Jaime Herrera Beutler". The signature is written in a cursive style with a blue ink color.

Jaime Herrera Beutler
Member of Congress