



*BEFORE THE HOUSE TECHNOLOGY & INNOVATION COMMITTEE
PROPONENT TESTIMONY ON SENATE BILL 302*

Chairman Fraizer, Vice Chair Hall, Ranking Member Lightbody, and members of the House Technology & Innovation Committee, thank you for the opportunity to provide proponent testimony on Senate Bill 302 (SB 302). My name is Kevin Shimp and I am the General Counsel and Director of Labor and Legal Affairs for the Ohio Chamber of Commerce.

The Ohio Chamber is the state's leading business advocate, and we represent over 8,000 companies that do business in Ohio. Our mission is to aggressively champion free enterprise, economic competitiveness and growth for the benefit of all Ohioans.

In our efforts to champion economic competitiveness, the Ohio Chamber supports SB 302 because it takes steps to combat fraud in Ohio's unemployment compensation system, which is entirely funded by employer taxes. Through data sharing agreements and income verification tools, the Ohio Chamber believes the legislation will make it harder for criminal actors to exploit Ohio's unemployment system and could prevent a repeat of the massive fraud we all witnessed that followed the COVID-19 pandemic.

The COVID-19 pandemic presented numerous challenges for Ohio employers and stressed many government functions, but the unemployment system was perhaps the greatest challenge for employers and government alike. From the rise in unemployment filings, the creation of new federal unemployment programs, and criminal actors seeking to exploit those programs, the Ohio Department of Job and Family Services faced an onslaught of issues throughout the pandemic. Their efforts to tackle these pressing challenges were commendable, but ultimately more than \$5 billion in fraudulent unemployment payments, including overpayments, were made from April 2020 through December 2021.

In addition to fraudulent payments, imposter claims – where a criminal actor files a claim in someone else's name – became a major frustration for Ohio employers because these claims resulted in businesses receiving a separation notice for employees currently employed by them. These imposter claims also alarmed employees, because in many instances, it alerted them to the fact their identities had likely been stolen.

Senate Bill 302 attempts to limit the instances of unemployment fraud, including imposter claims, by creating statutory requirements for ODJFS to enter into agreements with other state agencies requiring

data sharing and income verification. Under the legislation, ODJFS will be required to enter into a data sharing agreement with the Ohio Department of Rehabilitation and Corrections to provide a list of incarcerated individuals and the Ohio Department of Health to share death records. This data sharing will help assure that anyone filing for unemployment benefits under the name of a deceased or imprisoned person will be denied or flagged for potential fraud, since legitimate claims cannot be filed by a deceased person and Ohio law prohibits incarcerated individuals from receiving unemployment benefits.

In addition to data sharing agreements, SB 302 requires ODJFS to use information obtained by the Ohio Department of Taxation to verify a person's income when the listed employer does not respond within 10 days or if a federal program similar to Pandemic Unemployment Assistance (PUA) requires income verification. This income verification requirement is an important fraud prevention tool because it confirms a person's eligibility for unemployment benefits and that they have earned the income they claimed.

Another provision of SB 302 that stands to benefit Ohio employers is the ability to report to ODJFS when an individual is failing to meet eligibility requirements required by Ohio law. In countless conversations with Ohio Chamber members, they have shared it is commonplace for an applicant to "no call, no show" for a job interview or for an applicant who is hired to fail to show up on their first day of employment. Codifying the requirement for ODJFS to offer a reporting mechanism for these types of instances addresses those concerns and helps assure unemployment benefits are only paid to those who are eligible.

In closing, the Ohio Chamber of Commerce supports SB 302 because the reforms included in it will help stop fraudulent unemployment filings, prevent the misuse of employer tax dollars, and preserve the use of the system to those who are eligible.