

NOVEMBER 17, 2022

**CHAIRS MALONEY,
CLYBURN RELEASE
EVIDENCE FACIAL
RECOGNITION
COMPANY ID.ME
DOWNPLAYED
EXCESSIVE WAIT
TIMES FOR
AMERICANS
SEEKING
UNEMPLOYMENT
RELIEF FUNDS**

Washington, D.C. (November 17, 2022) – Today, the Select Subcommittee on the Coronavirus Crisis, chaired by Rep. James E. Clyburn, and the Committee on Oversight and Reform, chaired by Rep. Carolyn B. Maloney, released new evidence that state and federal contractor [ID.me](#) inaccurately overstated its capacity to conduct identity verification services to the Internal Revenue Service (IRS) and made baseless claims about the amount of federal funds lost to pandemic fraud in an apparent attempt to increase demand for its identity verification services.

The Committees began investigating [ID.me](#), which markets online identity verification services that use facial recognition technology, in [April 2022](#) following reports that Americans seeking unemployment benefits faced significant delays as a result of ID.me's process and wait times, as well as other concerns about the privacy, security, and effectiveness of the growing use of this technology by government agencies.

Chairwoman Maloney released the following statement about today's findings:

"The Committees' investigation uncovered appalling new information about how ID.me's identity verification services delayed benefits for Americans when they needed them most. Wait times for users trying to verify their identity in order to access government services reached as high as nine hours. In some cases, [ID.me](#) removed important customer service accommodations, making it more difficult for users to speak with

trusted referees. I am also deeply concerned about [ID.me](#) providing inaccurate information to federal agencies in order to be awarded millions of dollars in contracts. The Oversight Committee will continue to review the federal government's use of identity verification services to ensure that Americans' sensitive information is protected and that everyone can access the government services to which they are entitled."

Chairman Clyburn released the following statement about today's findings:

"Congress acted swiftly at the onset of the coronavirus pandemic to ensure that 22 million newly unemployed Americans had unemployment benefits to pay their rent or mortgages and keep food on their tables. It is deeply disappointing that a company that received tens of millions in taxpayer dollars to help Americans obtain these benefits may have hurt their ability to access that critical relief. ID.me's practices risked putting desperately needed relief out of reach for Americans who lack ready access to computers, smartphones, or the internet. Companies entrusted with implementing critical programs in a national crisis must be able to serve the needs of the people those programs are intended to benefit. We must continue to work to ensure that, in the future, companies hired to implement critical programs are up to the job."

[ID.me Subjected Many Americans Seeking Vital Benefits to Extraordinary Wait Times—Averaging More Than Nine Hours in One State—at Critical Periods During the Coronavirus Crisis.](#)

- **ID.me directed 10 to 15 percent of benefit applicants to prove their identities through video chats with ID.me staff. ID.me contracted** with at least 25 state agencies—receiving nearly \$45 million in the process—to provide identity verification using facial recognition technology to guard against identity theft fraud being committed against pandemic unemployment relief and other programs. **ID.me informed** the Committees that 10 to 15 percent of users were unable to verify their identities with the company's automated facial recognition technology, and that these individuals were directed to show proof of their identities to **ID.me** employees through video chats. Given that more than **22 million Americans lost their jobs** during the crisis and that **ID.me** provided services to approximately half the country, potentially hundreds of thousands of unemployed workers were routed to verify their identities through video chats with **ID.me** employees.
- **In 14 states that contracted with ID.me for identity verification services—including California, Texas, and Florida—wait times for ID.me video chats reached an average of more than four hours.** According to ID.me's own **data**, users had to wait four hours or more in 14 of 21 states where the company provided unemployment benefit verification services in April 2021. For those seeking verification in North Dakota, average wait times were nearly 10 hours that month. In Washington state, wait times averaged nearly 6 hours.
- **Given substantial inequities in access to broadband internet, long wait times may have hurt those who most desperately needed relief**

during the crisis. Many individuals with low incomes, who [need support urgently](#) when they lose employment, cannot afford devices and internet access needed to verify their identities online, or must share devices with family. [As of 2021](#), approximately 15 percent of American adults did not own a smart phone, and 23 percent did not own a desktop or laptop computer. Because these Americans often rely on resources such as shared public computers at [libraries](#) to gain periodic access to the internet, excessive wait times for video chats can present substantial barriers to critical relief. [ID.me](#) failed to accommodate for these access challenges facing vulnerable Americans by offering appointments or callback services. [Documents](#) obtained from [ID.me](#) indicate the company had removed the ability of users to schedule appointments because it determined they were "hindering efficiency."

- **[ID.me](#) data showed that applicants in New Jersey experienced average wait times of only six minutes in April 2021**, substantially shorter than in any other state. However, unlike many other states, New Jersey had [also contracted](#) with another company that allowed those seeking benefits to verify their identify in person. This illustrates the importance of providing in-person options to ensure that those who do not have internet access are still able to obtain critical benefits.

[ID.me](#) Inaccurately Downplayed the Wait Times Applicants Were Facing to the IRS as the Agency Considered a Contract for [ID.me](#) Related to Child Tax Credit Advance Payments.

- **Meeting minutes** obtained from **ID.me** show that, during an April 2021 meeting between IRS officials and **ID.me** leadership, **the company informed the IRS that its wait times for video chats were only "about 2 hours as of today."** But new data obtained from **ID.me** shows that this inaccurately downplayed the long wait times Americans were facing in states that were using **ID.me**. **Average wait times for video chats in April 2021 were more than four hours for 14 of 21 state unemployment programs it served.**
- Following these representations, the IRS **used ID.me** for identity verification in connection with the implementation of the enhanced Child Tax Credit. However, the **IRS announced** it would cease use of the company's services after privacy and security concerns arose publicly about the company's facial recognition technology.

In an Apparent Attempt to Increase Demand for ID.me's Services, the Company's CEO Asserted Without Basis That a Much Larger Share of Pandemic Unemployment Funds Were Lost to Fraud Than Supported by State and Federal Data.

- Despite repeated requests, **ID.me** could not provide the Committees with any methodology it used to support its CEO's assertion in June 2021 that "America has lost **more than \$400 billion** to fraudulent claims" for unemployment benefits, or as "much as 50% of all unemployment monies," which would be approximately \$414 billion.
- **Although state and federal agencies have acknowledged that fraud was a serious challenge in the pandemic program, ID.me's**

asserted fraud total is significantly higher than other assessments based on detailed and expert analysis. For example, ID.me's claimed fraud total is nearly ten times higher than the \$45.7 billion in potential unemployment fraud that the Department of Labor Office of Inspector General (DOL OIG) has assessed through [an analysis of the data](#) associated with unemployment claims, and nearly three times larger than the DOL OIG's [broader assessment](#) of all potentially improper pandemic unemployment payments.

- **The sources [ID.me](#) referred the Committees to as support for its claim about the extent of fraud do not support the company's assessment. [ID.me told the Committees](#)** its claim was based on "public statements by state and federal officials responsible for administering and overseeing UI programs, estimates put forward by third-party analysts assisting state governments in detecting potential fraud, and the company's own observations," and referred the Committees to [several estimates](#). But the sources that [ID.me](#) identified—including DOL OIG's March 2022 estimate of \$163 billion, Arizona's September 2021 fraud [estimate](#) of between \$4.3 and \$4.4 billion, California's October 2021 fraud [estimate](#) of \$20 billion, Michigan's December 2021 fraud [estimate](#) of between \$8.4 and \$8.5 billion—do not support the total and post-dated ID.me's own assessment. [ID.me](#) also cited a July 2021 [estimate](#) from the Heritage Foundation that concluded \$357 billion was lost to fraud. However, this analysis cited ID.me's own earlier

\$400 billion assessment in reaching its conclusion, while also post-dating ID.me's total.

Click to view the documents and data released today: ID.me's April 28, 2022, [letter](#) to the Committees; ID.me's [wait time data](#); ID.me's [contract data](#) regarding work for state agencies administering unemployment; [Meeting minutes](#) from ID.me's April 2021 meeting with the IRS; ID.me's June 17, 2022, [letter](#) to the Committees.