

FRAUDULENT UNEMPLOYMENT CLAIMS
Employee Reference

Everywhere you look, identity fraud is making news these days. Equifax, LexisNexis, ChoicePoint, Bank of America, SAIC and others have recently announced that their data has been compromised, exposing hundreds of thousands of Americans to possible identity fraud.

According to 2018 Identity Fraud: Fraud Enters a New Era of Complexity from Javelin Strategy & Research, in 2017, there were 16.7 million victims of identity fraud, a record high that followed a previous record the year before. For the first time, more Social Security numbers were exposed than credit card numbers.

We've all heard about the most publicized identity theft crime — thieves using stolen social security numbers to apply for credit cards. In many cases, victims don't realize something's awry until they apply for a loan and find their credit has been destroyed.

But the most underpublicized identity theft crime is one in which thieves defraud state governments of payroll taxes by filing fraudulent unemployment claims. This crime depletes state unemployment insurance trust funds, which can result in tax increases for employers to keep the funds solvent.

It can be a lucrative scheme. File a false unemployment claim and you can receive \$400 per week for 26 weeks. That's a quick \$10,400. Do it for 100 social security numbers and you've made a quick \$1,040,000. It's tough to make crime pay much better than that.

Recommendation for action for our clients is to continue through the unemployment process as with any other claim, stating clearly that the named claimant is still employed. Most likely, IDES will require payroll records to verify this information. Then, the employee should most definitely be notified that someone has tried to use their identity to file an unemployment claim. Here are two links to share with employees when this occurs:

Below is the link from the State of Illinois with more information on the UI Fraud process:

http://www.ides.illinois.gov/Pages/Ui_fraud_reporting_options.aspx

Reporting Identity Theft:

1. File a police report immediately at the closest police station available.
2. Contact the credit reporting agencies to report Identity Theft. Link below:
<http://www.consumer.ftc.gov/features/feature-0014-identity-theft>

**** Please Note that your employer may request the following information from you:**

- "REAL" (current) employee's address and phone number to provide to state
- Copy of DL (State ID if DL is N/A) and copy of SSN Card