

Stolen Unemployment Benefits: How to detect and resolve this form of identity theft

Fraudsters are taking advantage of the COVID-19 crisis to file false unemployment claims using stolen identity information. It is a particularly cruel fraud that, when successful, drains people's unemployment benefits and creates further economic hardship. People who are victims of data breaches or identity theft may be more vulnerable to unemployment fraud. This crime can happen to people who have a job, and it can happen to people who are unemployed.

Unemployment benefits fraud is when someone uses your name, Social Security Number, and other personal information to attempt to collect unemployment benefits fraudulently. It is a type of identity theft.

To get victims' benefits, fraudsters typically set up an unemployment account in another person's name online and then file unemployment claims. The fraudster takes steps to divert the unemployment benefits to themselves or to a crime ring so that when the claims are paid out, the money goes to the fraudster.

When the crime is successful, funds that would have gone to unemployed people are drained by fraudsters and criminals.

One of the primary ways people may discover they have become a victim of this crime is when they file an application for unemployment benefits and discover that a claim has already been submitted in their name.

Why is this happening now?

Unemployment benefits fraud and identity theft were already common crimes in the United States before COVID-19 struck. To address fraud, states already had safeguards in place to protect unemployment systems against fraud. However, those protections worked at normal applicant volumes.

Due to the rapid onset of the economic impact of the coronavirus crisis and the expanded unemployment benefits under the US CARES Act, states' systems are delivering expanded unemployment benefits to tens of millions of people who have lost their jobs as a result of COVID-19. Fraudsters are taking advantage of the rapid influx of extra cash into the unemployment system as well as new stresses on the systems due to historically high numbers of applicants to slip through the cracks.

What are states doing?

Most, if not all, states have either already taken or begun to take additional steps to protect their systems from unemployment benefit fraud in the new environment. Some states have instituted extra protections such as stopping certain types of transfers altogether, or adding an additional wait period before benefits are paid in order to catch fraudulent applications. Some states are now mailing letters when an unemployment claim is filed, instead of just relying on electronic notifications.

A number of states have issued helpful FAQs and statements regarding the increase in unemployment fraud and actions they have taken. These FAQs, when available, are linked in the chart below.

Who is at highest risk for this crime?

- People who have been the victim of a data breach that exposed their SSN may be at greater risk.
- People who are already the victim of identity theft may be at greater risk.
- People who have given their personal information and paid a fee to an individual claiming they are filing unemployment claims for a state agency may also be at greater risk. States do not charge a fee for filing for unemployment benefits. Any requests for fees for filing is likely to be a scam.

Tip-offs that you may be a victim of this crime:

- If you receive a notification that you have failed the security verification for your unemployment application;
- If you receive a letter from your state saying you have received a determination regarding unemployment insurance, and you did not apply for unemployment benefits;
- If you receive a letter from the state notifying you that you are potentially eligible for Pandemic Unemployment Assistance (PUA), but you have not applied for unemployment; or,
- If you have given your personal information to a person who is cold-calling you on the telephone, at your door, or on social media claiming they will file unemployment benefits on your behalf for a fee.

What can you do if you think this may have happened to you? How can you protect yourself if it hasn't?

- If you learn an unemployment claim has been filed in your name, and you did not file the claim, make a report to your State Department of Labor immediately. Each state has a contact point for making this report. In unemployment benefit fraud, reporting the crime immediately to the state Department of Labor is absolutely crucial to begin the recovery process. The chart below has links for each state's unemployment fraud report page.

- Notify your employer of the fraudulent claim, because they will also need to file documentation.
- File a complaint at the National Center for Disaster Fraud <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form> or (866) 720-5721.
- A pro-active step you may consider is to create an online benefits account with your state regardless of your employment status. After you have created the account, if you are employed, you do not need to file an unemployment claim. Simply having the account can pose obstacles to a fraudster, because they cannot as easily use your stolen identity information to open a fresh account using your information without your knowledge, or in some cases, without alerting the system of their unauthorized behavior. To set up a benefits account, most states will request your Social Security Number, and ask you to set up a PIN and a password in order to open the account.
- Traditional identity theft advice applies to this form of fraud, for example:
 - Ensure your computer hygiene is in good order. In particular, if you have not already done so, ensure that the passwords to all of your financial and other accounts are unique. Wherever you can, add a second factor for authentication. When asked to create a PIN, or Personal Identification Number, don't use your birthday or a guessable number. 0000, 2020, 1234, etc. are highly guessable numbers. If you have not changed your passwords in a while, now is a good time to get that done.
 - Take advantage of credit monitoring services if you have been notified your information was exposed in a data breach. If you do not have access to credit monitoring, use the Congressionally mandated www.annualcreditreport.com, where you can get a free credit report from each credit reporting bureau once each year.
 - If you have ongoing activities related to identity theft, you can set a security freeze that does not allow any new credit to be opened in your name. You can read more about security freezes and how they work at the World Privacy Forum Security Freeze Page: <https://www.worldprivacyforum.org/security-freeze/>.
 - For a detailed identity theft recovery plan, see the FTC's detailed interactive guide to build a customized recovery plan at: <https://www.identitytheft.gov/Steps>. Remember: for unemployment benefits fraud, the most important first step is to notify the state of the fraud. Then move forward to assess additional steps you may want to take.

State Unemployment Insurance Fraud Resources and Links

Alabama

DEPARTMENT OF LABOR:

<https://labor.alabama.gov>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://labor.alabama.gov/isec/fraudprog.aspx>

FAQS:

<https://labor.alabama.gov/uc/claims.aspx>

Alaska

DEPARTMENT OF LABOR:

<https://labor.alaska.gov/unemployment/>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://labor.alaska.gov/unemployment/fraud.htm>

FAQS:

<https://labor.alaska.gov/unemployment/faq.htm>

Arizona

DEPARTMENT OF LABOR:

<https://des.az.gov/services/employment/unemployment-individual/apply-ui-benefits>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://fraudreferralexternal.azdes.gov>

FAQS:

<https://des.az.gov/services/employment/unemployment-individual/how-do-i-and-frequently-asked-questions>

Arkansas

DEPARTMENT OF LABOR:

<https://www.arunemployment.com>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://www.dws.arkansas.gov/unemployment/reporting-ui-fraud/>

FAQS:

https://arunemployment.s3-us-west-2.amazonaws.com/AR+Unemployment+Programs+Flyer+ZAC_V1_Final.pdf

California

DEPARTMENT OF LABOR:

<https://edd.ca.gov/Unemployment/>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://askedd.edd.ca.gov/ReportFraud.aspx>

FAQS:

https://edd.ca.gov/about_edd/coronavirus-2019/faqs.htm

Colorado

DEPARTMENT OF LABOR:

<https://www.colorado.gov/cdle>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://www.colorado.gov/pacific/cdle/fraud-prevention>

Connecticut

DEPARTMENT OF LABOR:

<https://www.ctdol.state.ct.us>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://www.ctdol.state.ct.us/BPCU/fraud.htm>

FAQS:

<http://www.ctdol.state.ct.us/DOLCOVIDFAQ.PDF>

Delaware

DEPARTMENT OF LABOR:

<https://dol.delaware.gov>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://ui.delawareworks.com/ui-fraud.php>

FAQS:

<https://news.delaware.gov/2020/05/28/the-de-dept-of-labor-releases-fraud-prevention-guidelines/>

District of Columbia

DEPARTMENT OF LABOR:

<https://does.dc.gov>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://does.dc.gov/page/what-unemployment-insurance-fraud>

FAQS:

<https://does.dc.gov/page/what-unemployment-insurance-fraud>

Florida

DEPARTMENT OF LABOR:

<https://covid19.floridajobs.org> and <http://floridajobs.org>

WHERE TO FILE A REPORT OF UI FRAUD:

<http://floridajobs.org/Reemployment-Assistance-Service-Center/reemployment-assistance/claimants/fraud-and-overpayments>

FAQS:

http://floridajobs.org/docs/default-source/reemployment-assistance-center/unemployment/connect/english_external_guide_claimant.pdf?sfvrsn=e18878b0_2

Georgia

DEPARTMENT OF LABOR:

<https://dol.georgia.gov>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://www.dol.state.ga.us/public/uiben/fraud/reportType>

FAQS:

<https://dol.georgia.gov/report-ui-fraud>

Hawaii

DEPARTMENT OF LABOR:

<https://labor.hawaii.gov/ui/>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://labor.hawaii.gov/ui/information-on-ui-fraud/>

FAQS:

<https://labor.hawaii.gov/covid-19-labor-faqs/>

Idaho

DEPARTMENT OF LABOR:

<https://labor.idaho.gov/dnn/>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://labor.idaho.gov/dnn/Businesses/Report-Fraud>

Illinois

DEPARTMENT OF LABOR:

<https://www2.illinois.gov/ides/Pages/default.aspx>

WHERE TO FILE A REPORT OF UI FRAUD:

https://www2.illinois.gov/ides/Pages/Reporting_Unemployment_Insurance_Fraud.aspx

FAQS:

https://www2.illinois.gov/ides/Pages/FAQ_COVID-19.aspx

Indiana

DEPARTMENT OF LABOR:

<https://www.in.gov/dwd/>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://www.in.gov/dwd/2464.htm>

FAQS:

<https://www.in.gov/dwd/3704.htm>

Iowa

DEPARTMENT OF LABOR:

<https://www.iowaworkforcedevelopment.gov>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://www.iowaworkforcedevelopment.gov/report-potential-unemployment-claimant-fraud>

FAQS:

<https://www.iowaworkforcedevelopment.gov/COVID-19>

Louisiana

DEPARTMENT OF LABOR:

<http://www.laworks.net>

WHERE TO FILE A REPORT OF UI FRAUD:

<http://www.laworks.net/FraudMenu.asp>

FAQS:

http://www.laworks.net/FAQs/FAQ_COVID-19_QandA.asp

Massachusetts

DEPARTMENT OF LABOR:

<https://www.mass.gov/topics/unemployment>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://www.mass.gov/info-details/report-unemployment-benefits-fraud>

FAQS:

<https://www.mass.gov/covid-19-and-unemployment-what-you-need-to-know>

Mississippi

DEPARTMENT OF LABOR:

<https://mdes.ms.gov>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://mdes.ms.gov/information-center/fraud-and-integrity/>

FAQS:

<https://mdes.ms.gov/unemployment-claims/covid19/>

Nebraska

DEPARTMENT OF LABOR:

<https://dol.nebraska.gov/home/index>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://dol.nebraska.gov/Fraud/ReportIndividualFraud>

FAQS:

<https://dol.nebraska.gov/PressRelease/Details/141>

New Jersey

DEPARTMENT OF LABOR:

<https://www.nj.gov/labor/>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://myunemployment.nj.gov/labor/myunemployment/help/contact-us/reportfraud/index.shtml>

FAQS:

<https://myunemployment.nj.gov/labor/myunemployment/help/faqs/>

Kansas

DEPARTMENT OF LABOR:

<https://www.getkansasbenefits.gov/Home.aspx>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://www.getkansasbenefits.gov/faqs/UiFraud.aspx>

FAQS:

<https://www.getkansasbenefits.gov/faqs/UiFraud.aspx>

Maine

DEPARTMENT OF LABOR:

<https://www.maine.gov/labor/index.shtml>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://www.maine.gov/unemployment/idtheft/>

FAQS:

<https://www.maine.gov/labor/covid19/faq/index.shtml>

Michigan

DEPARTMENT OF LABOR:

https://www.michigan.gov/leo/0,5863,7-336-78421_97241---,00.html

WHERE TO FILE A REPORT OF UI FRAUD:

https://miwam.unemployment.state.mi.us/CImMiWAM/_/#2

FAQS:

https://www.michigan.gov/documents/uia/MiWAM_toolkit_for_Claimants_July_2019_662197_7.pdf

Missouri

DEPARTMENT OF LABOR:

<https://labor.mo.gov>

WHERE TO FILE A REPORT OF UI FRAUD:

https://labor.mo.gov/DES/report_fraud

FAQS:

<https://labor.mo.gov/coronavirus>

Nevada

DEPARTMENT OF LABOR:

<https://detr.nv.gov>

WHERE TO FILE A REPORT OF UI FRAUD:

https://detr.nv.gov/Page/DETR_Unemployment_Insurance_Fraud_Reporting_Form

FAQS:

<https://detr.nv.gov/Page/Coronavirus>

New Mexico

DEPARTMENT OF LABOR:

<https://www.dws.state.nm.us/en-us/>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://www.dws.state.nm.us/en-us/Unemployment/Unemployment-for-an-Individual/What-You-Should-Know-About-UI/UI-Fraud>

Kentucky

DEPARTMENT OF LABOR:

<https://kcc.ky.gov/Pages/default.aspx>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://kcc.ky.gov/career/Pages/UI%20Fraud.aspx>

FAQS:

<https://kcc.ky.gov/Pages/COVID19-UI-Frequently-Asked-Questions.aspx>

Maryland

DEPARTMENT OF LABOR:

<http://www.dllr.state.md.us>

WHERE TO FILE A REPORT OF UI FRAUD:

<http://www.dllr.state.md.us/employment/uistopfraud.shtml>

FAQS:

<http://www.dllr.state.md.us/employment/uicaresfaqs.pdf>

Minnesota

DEPARTMENT OF LABOR:

<https://www.uimn.org>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://www.uimn.org/applicants/needtoknow/fraud/ui-fraud.jsp>

FAQS:

<https://www.uimn.org/applicants/needtoknow/news-updates/covid-19.jsp>

Montana

DEPARTMENT OF LABOR:

<https://montanaworks.gov>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://montanaworks.gov/Report-Claimant-Fraud>

FAQS:

<https://montanaworks.gov/#covid19>

New Hampshire

DEPARTMENT OF LABOR:

<https://www.nhes.nh.gov/index.htm>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://www.nhes.nh.gov/contact/ui-fraud.htm>

FAQS:

<https://www.nhes.nh.gov/faq/index.htm>

New York

DEPARTMENT OF LABOR:

<https://dol.ny.gov>

WHERE TO FILE A REPORT OF UI FRAUD:

<https://www.labor.ny.gov/agencyinfo/uifraud.shtml>

FAQS:

<https://dol.ny.gov/pandemic-unemployment-assistance>

North Carolina

DEPARTMENT OF LABOR:
<https://des.nc.gov>

WHERE TO FILE A REPORT OF UI FRAUD:
<https://des.nc.gov/need-help/report-fraud>

FAQS:
<https://des.nc.gov/need-help/faqs/fraud-faqs>

Oklahoma

DEPARTMENT OF LABOR:
<https://oesc.ok.gov>

WHERE TO FILE A REPORT OF UI FRAUD:
https://www.ok.gov/oesc/About_OESC/Policies_and_Disclaimers/Internal_Audit/

FAQS:
<https://oesc.ok.gov/#yourquestionsanswered> AND <https://oesc.ok.gov/unemployment-fraud-victimizing-jobless-oklahomans>

Rhode Island

DEPARTMENT OF LABOR:
<http://www.dlt.state.ri.us>

WHERE TO FILE A REPORT OF UI FRAUD:
<https://risp.ri.gov/fcu/FUICI.php>

FAQS:
<http://www.dlt.state.ri.us/ui/UIFraud.htm>

Tennessee

DEPARTMENT OF LABOR:
<https://www.tn.gov/workforce.html>

WHERE TO FILE A REPORT OF UI FRAUD:
<https://www.tn.gov/workforce/unemployment/unemployment-records-redirect/report-ui-fraud.html>

FAQS:
<https://www.tn.gov/workforce/covid-19.html>

Vermont

DEPARTMENT OF LABOR:
<https://labor.vermont.gov>

WHERE TO FILE A REPORT OF UI FRAUD:
<https://labor.vermont.gov/unemployment-insurance/unemployment-insurance-fraud>

FAQS:
<https://labor.vermont.gov/FAQs>

West Virginia

DEPARTMENT OF LABOR:
<https://www.workforcewv.org>

WHERE TO FILE A REPORT OF UI FRAUD:
<https://www.workforcewv.org/report-fraud>

FAQS:
<https://www.workforcewv.org/cares-act-questions>

North Dakota

DEPARTMENT OF LABOR:
<https://www.jobsnd.com>

WHERE TO FILE A REPORT OF UI FRAUD:
<https://www.jobsnd.com/unemployment-business-tax/report-unemployment-fraud>

FAQS:
<https://www.jobsnd.com/pandemic-emergency-unemployment-compensation-peuc>

Oregon

DEPARTMENT OF LABOR:
<https://www.oregon.gov/employ/pages/default.aspx>

WHERE TO FILE A REPORT OF UI FRAUD:
<https://secure.emp.state.or.us/public/IDTheftReporting/compose.cfm?lang=E> AND <https://www.oregon.gov/employ/Unemployment/Pages/Fraud.aspx>

FAQS:
<https://www.oregon.gov/employ/Unemployment/Pages/UI-FAQ.aspx>

South Carolina

DEPARTMENT OF LABOR:
<https://dew.sc.gov>

WHERE TO FILE A REPORT OF UI FRAUD:
<https://dew.sc.gov/tools-resources/report-ui-fraud>

Texas

DEPARTMENT OF LABOR:
<https://www.twc.texas.gov>

WHERE TO FILE A REPORT OF UI FRAUD:
<https://www.twc.texas.gov/reporting-fraud>

FAQS:
<https://www.twc.texas.gov/news/frequently-asked-questions-about-unemployment-insurance-benefits-related-covid-19>

Virginia

DEPARTMENT OF LABOR:
<https://www.vec.virginia.gov>

WHERE TO FILE A REPORT OF UI FRAUD:
<https://www.vec.virginia.gov/unemployed/resources/report-unemployment-insurance-fraud>

FAQS:
<https://www.vec.virginia.gov/covid19>

Wisconsin

DEPARTMENT OF LABOR:
<https://dwd.wisconsin.gov>

WHERE TO FILE A REPORT OF UI FRAUD:
<https://dwd.wisconsin.gov/ui/fraud/>

FAQS:
<https://dwd.wisconsin.gov/ui/faqs/fraud.htm>

Ohio

DEPARTMENT OF LABOR:
<http://jfs.ohio.gov>

WHERE TO FILE A REPORT OF UI FRAUD:
http://jfs.ohio.gov/ouio/BPC_FAQ_Claimants.stm

FAQS:
<http://jfs.ohio.gov/factsheets/IdentityTheft.pdf>

Pennsylvania

DEPARTMENT OF LABOR:
<https://www.uc.pa.gov/Pages/default.aspx>

WHERE TO FILE A REPORT OF UI FRAUD:
<https://www.uc.pa.gov/Pages/Report-Fraud-Here.aspx>

FAQS:
<https://www.uc.pa.gov/Fraud/Pages/default.aspx>

South Dakota

DEPARTMENT OF LABOR:
<https://dlr.sd.gov>

WHERE TO FILE A REPORT OF UI FRAUD:
https://dlr.sd.gov/ra/overpayments/report_fraud.aspx

FAQS:
<https://dlr.sd.gov/ra/cares.aspx>

Utah

DEPARTMENT OF LABOR:
<https://jobs.utah.gov/index.html>

WHERE TO FILE A REPORT OF UI FRAUD:
<https://jobs.utah.gov/department/contact/fraud.html>

FAQS:
<https://jobs.utah.gov/covid19/index.html>

Washington

DEPARTMENT OF LABOR:
<https://esd.wa.gov>

WHERE TO FILE A REPORT OF UI FRAUD:
<https://fortress.wa.gov/esd/file/SecureUpload/unemploymentfraud/report>

FAQS:
<https://esd.wa.gov/unemployment>

Wyoming

DEPARTMENT OF LABOR:
<http://www.wyomingworkforce.org>

WHERE TO FILE A REPORT OF UI FRAUD:
<http://www.wyomingworkforce.org/contact/fraud/>

FAQS:
<http://www.wyomingworkforce.org/workers/ui/>

Additional Resources

The US Department of Labor has extensive resources regarding unemployment benefits fraud. <https://www.dol.gov/general/maps/fraud>.

The US Federal Trade Commission has a dedicated web site for identity theft prevention and solutions. <https://www.identitytheft.gov>

Publication Information

Stolen Unemployment Benefits: How to detect and resolve this form of identity theft

World Privacy Forum

www.worldprivacyforum.org

Publication Date: June 24, 2020

This document is available at:

<https://www.worldprivacyforum.org/2020/06/stolen-unemployment-benefits/>

Nothing in this material constitutes legal advice.