

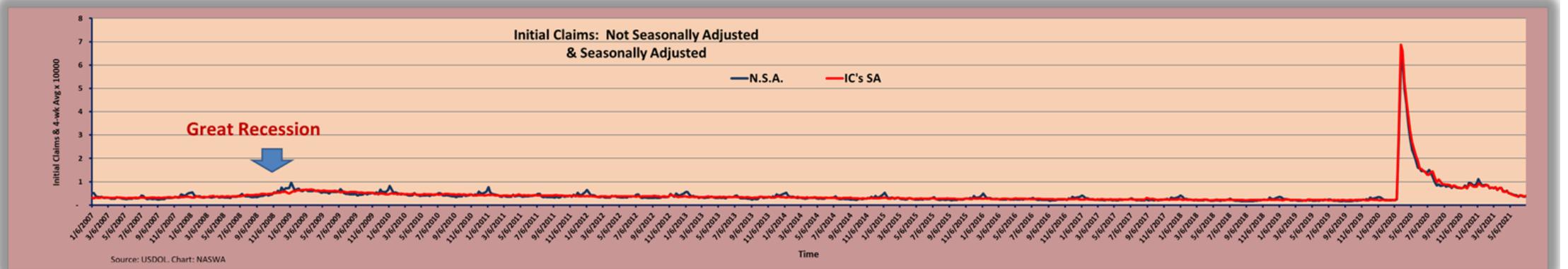
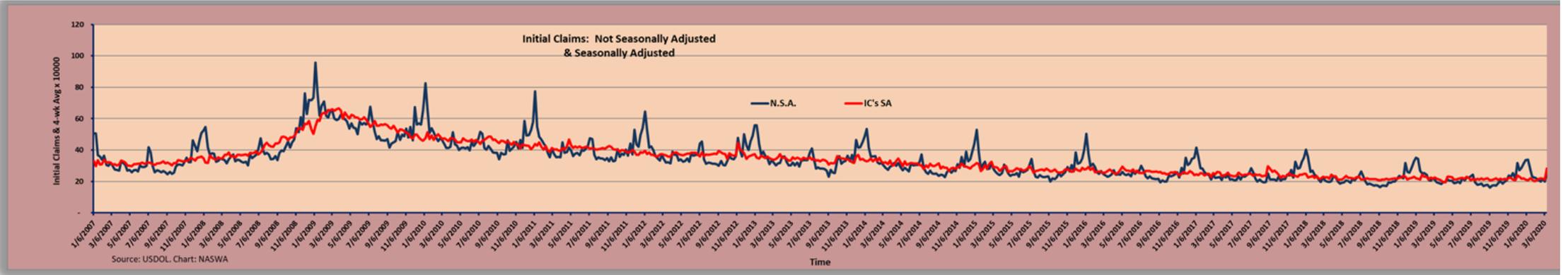
# Improving UI Identity Fraud Detection

Evan E. Littrell

NASWA UI Integrity Center



# From Recession to Pandemic



# How We Got Here

The Washington Post  
*Democracy Dies in Darkness*

Economic Policy

## Trump signs \$2 trillion coronavirus bill into law as companies and households brace for more economic pain

The new law amounts to the largest emergency spending measure in U.S. history.

January 11, 2021

## New COVID Relief Bill – expanded worker benefits; payroll tax changes

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The Washington Post  
*Democracy Dies in Darkness*

Get one

Economic Policy

## Congress adopts \$1.9 trillion stimulus, securing first major win for Biden

A House vote Wednesday sends the bill to President Biden, who is expected to sign Friday, the White House said

# Claims Workload

## Selected *REG UI* Claims Workload (Monthly)

3/2020: 11,768,425 initial claims (IC)	\$3,891,898,614 Benefits paid
4/2020: 17,624,674 IC	\$18,332,275,495 Benefits paid
6/2020: 6,646,792 IC	\$22,100,208,851 Benefits paid
6/2021: 2,302,392 IC	\$3,984,539,187 Benefits paid

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# Pennsylvania tries to crack down on unemployment fraud

Crime & Safety

# County Residents Charged In Pandemic Unemployment Benefits Fraud

The defendants are charged in two separate indictments with submitting fraudulent claims to California's Employment Development Department.



WGAL 8

Updated: 10:25

United States Department of Justice

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DISTRICT of MASSACHUSETTS

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FOR IMMEDIATE RELEASE

Thursday, July 22, 2021

## Stoneham Man Indicted for Identity Theft and Fraud Related to COVID-19 Pandemic Unemployment Assistance

BOSTON – A Stoneham man was indicted today in connection with his alleged involvement in a

The Indiana Gazette  
indianagazette.com in print daily | online always

NEWS SPORTS COMMUNITY LEISURE BUSINESS FIND A JOB E-EDITIONS SUBSCR



## Unemployment fraud reported in Indiana

By PATRICK C O'CONNOR nrcloconnan@indianagazette.net Jul 22, 2021

ANALYTICS

# Labor watchdog calls out gaps in unemployment fraud reporting

By Natalie Alms | Jul 07, 2021

NEWS > COVERING LOUISIANA

## AG's office announces arrests for unemployment fraud



Photo by: MGN Online  
Courtesy of MGN Online

By: KATC News

Posted at 7:21 PM, Jul 20, 2021 and last updated 7:20 PM, Jul 20, 2021

The Louisiana Attorney General's office has announced several more

## \$14.8M in unemployment fraud revealed,

by Matt Roy | Friday, July 23rd 2021



IDES building's sign (Screenshot of video taken by Matt Roy of the Illinois Department of Employment Security sign)

# Common UI Fraud Schemes

- Individual Fraud
  - Working and Earning while Claiming UI
  - Intentional Failure to Comply with UI Requirements
  - Claiming when Ineligible (e.g., prisoners)
- Complex Fraud
  - Fictitious Employer Schemes
  - Multi-Claimant Schemes
- Identity Theft
  - Combination of Individual and Complex Fraud
  - Often Highly Organized Criminal Elements

# Identity Theft

- PII easily accessible for fraudulent actors
  - For purchase on the Dark Web
  - Criminal Syndicates
  - International Fraud Actors
- UI program vulnerable
  - UI Identity Theft Fraud Reports increased 20x in 2020\*
  - Estimated \$63B in unemployment fraud in 2020\*

\*Source: Identity Theft Resource Center 2020 Annual Report [https://www.idtheftcenter.org/wp-content/uploads/2021/03/03.25.2020\\_2020-Annual-Report\\_FINAL-optimized.pdf](https://www.idtheftcenter.org/wp-content/uploads/2021/03/03.25.2020_2020-Annual-Report_FINAL-optimized.pdf)

# Solutions: UI Program Strategies

- Prevention
  - UI System Security
  - Internal Security
  - ID Validation and Verification
- Detection
  - Internal and External Data Crossmatching
  - Program Data Analytics
  - 1099G Reporting
- Recovery
  - Offsets (benefit and tax)
  - Legal Action (e.g., prosecution/restitution, garnishment)
  - Financial Institutions \*NEW

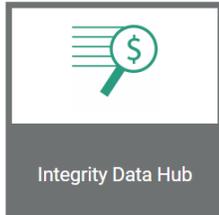
# Solutions: Employer Strategies

- Protect your Employees and your UI Tax Rate
  - Respond immediately to UI agency requests
  - Thoroughly review any forms/notifications
  - Notify employees and HR of suspected ID theft cases
- Implement a Data Protection Strategy
  - Review internal system security
  - Regularly assess cybersecurity practices and policies
  - Inform employees of company PII protection policies
  - Coordinate with UI agency to educate employees about UI benefits ID theft and other fraud activities
- Encourage employees access free credit reports from credit bureaus

# Employer Resources

- USDOL online ID theft victim reporting
  - English - [www.dol.gov/fraud](http://www.dol.gov/fraud)
  - Spanish – [www.dol.gov/fraud/es](http://www.dol.gov/fraud/es)
- ID theft related to Pandemic programs: National Center for Disaster Fraud (NCDF)
  - Hotline at 1-866-720-5721
  - Online [NCDF Disaster Complaint Form \(justice.gov\)](http://justice.gov)
- Refer employees to Fraud Alert Providers
  - [Experian.com/fraudalert](http://Experian.com/fraudalert)
  - [TransUnion.com/fraud](http://TransUnion.com/fraud)
  - [Equifax.com/CreditReportAssistance](http://Equifax.com/CreditReportAssistance)

# NASWA UI Integrity Center



## Integrity Data Hub

Critical Crossmatching Functionality  
Assists States in Prevention and Detection of UI Fraud



## NASWA Learning National Integrity Academy

UI Integrity e-learning and remote instruction UI fraud training  
UI Program Recommended Operating Procedures (ROP)



## Digital Knowledge Exchange Library

Online Collections  
Integrity Documentation, Education, Analysis, and Solutions (IDEAS)



## Integrity State Services

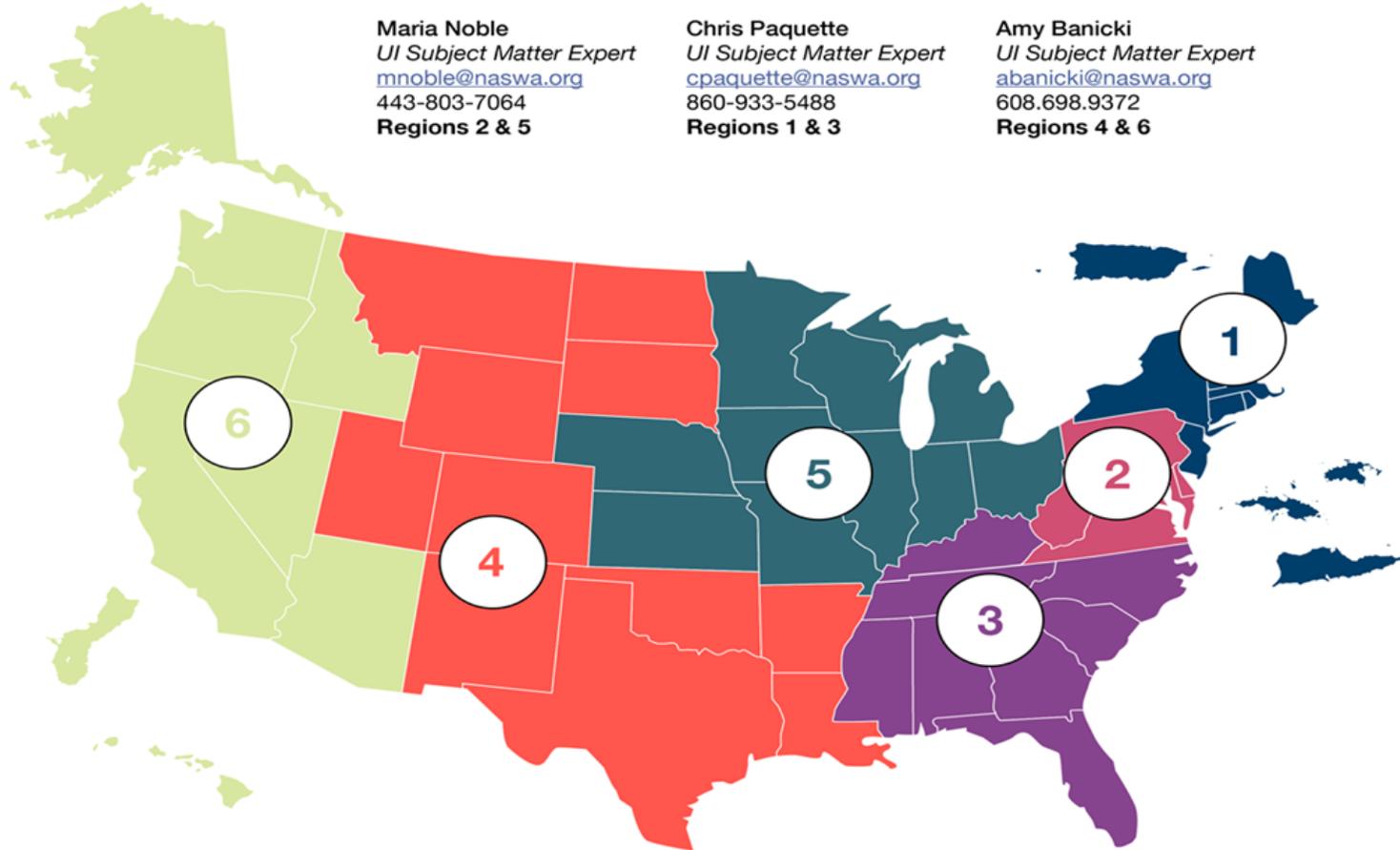
Confidential On-site or Remote Assessments  
Customized and Targeted recommendations

# Integrity Center State Liaisons

**Maria Noble**  
*UI Subject Matter Expert*  
[mnoble@naswa.org](mailto:mnoble@naswa.org)  
443-803-7064  
**Regions 2 & 5**

**Chris Paquette**  
*UI Subject Matter Expert*  
[cpaquette@naswa.org](mailto:cpaquette@naswa.org)  
860-933-5488  
**Regions 1 & 3**

**Amy Banicki**  
*UI Subject Matter Expert*  
[abanicki@naswa.org](mailto:abanicki@naswa.org)  
608.698.9372  
**Regions 4 & 6**



**Questions?**  
**Evan E. Littrell**  
**[elittrell@naswa.org](mailto:elittrell@naswa.org)**