



NEWS RELEASE

STATE EMERGENCY OPERATIONS CENTER

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Task Force Takes Action to Protect Against Unemployment Fraud, Ensure Proper Benefits

LANSING, MICH. Michigan's multi-departmental [Unemployment Insurance Fraud Task Force](#) of state and federal agencies is collaborating to investigate and prosecute unemployment fraud and bring criminals to justice. Members are also partnering to assure legitimate claimants receive the benefits they deserve and protect Michiganders from unemployment identity theft.

State unemployment insurance systems across the country have been under attack by well-organized criminals attempting to take advantage of the unprecedented global pandemic and economic crisis to illegally obtain benefits through imposter claims. Bad actors are using previously stolen or false personal information from data breaches involving Equifax and others to apply for benefits.

"Unemployment benefits should go to Michigan residents dealing with the hardships of COVID-19, not to criminals seeking to profit from the losses of others," said Michigan Attorney General Dana Nessel. "Unfortunately, this unprecedented public health crisis has created an opportunity ripe for abuse by people who are exploiting the system and hampering the ability to get legitimate claims paid."

Processing Legitimate Claims

Using alerts and guidance from law enforcement, and a review of its fraud management system, the UIA developed further fraud protections, including additional identification verification. To prevent potential fraud and respond to nationwide attacks on unemployment systems across the country, the agency announced last week that it used the latest available fraud prevention information and send a Stop Payment notice to around 340,000 active accounts. Over the last week, the UIA was able to validate more than 140,000 legitimate accounts, with benefits resuming within days. Working with fraud experts and law enforcement, the agency continues to use data analytics and direct outreach and to identify legitimate claimants and release benefits as quickly as possible.

Michigan's unemployment system, like other states across the country remains under attack by criminals. In the last several weeks, many of Michigan's new claims filed are suspected of fraud. No payments have been sent to the more than 200,000 of these flagged accounts which now must also provide the additional identification verification.

The UIA has also added hundreds of staff and now more than 600 people are working on identity verification, with another 200 staff to be added soon. The agency is also bringing on a national forensic

accounting firm and fraud assessment experts to help quickly weed out fraud and clear legitimate claims to ensure Michiganders are protected and workers receive the benefits they deserve.

“The rise in identity theft reports coupled with suspected fraud in new unemployment claims shows that criminals are still attempting to illegally obtain the benefits. It’s extremely upsetting that the actions of these fraudsters have delayed payments meant for our working families,” said UIA Director Steve Gray. “While we continue to work with our state and federal partners to stop this unlawful activity, our focus remains on doing everything we can to quickly validate authentic claims and get our workers the emergency financial assistance they need.”

Criminal Investigations

Task Force members are actively engaged in identifying, locating and prosecuting criminals suspected of unemployment fraud. Actions include:

- Initiating hundreds of active investigations of suspected fraud from individuals located in Michigan, around the country and across the world.
- Issuing hundreds of subpoenas to financial institutions to help identify suspected criminals.
- Daily communication with financial institutions to assist in monitoring for potential criminal activity and preventing payments to criminals.

The UIA has received more than 50,000 reports from individuals reporting unemployment fraud and identity theft in their name through its website since March 15, 2020, with more 40,000 sent since May 1, 2020. The agency will continue to work with Task Force members in its investigation of these reports.

“Identity theft and fraud are serious crimes, and our investigators remain committed to working with the task force to identify fictitious claims in order to ensure that benefits can be paid to Michiganders who have filed legitimate claims and are relying on this assistance during this difficult time,” stated Col. Joe Gasper, director of the Michigan State Police.

Unemployment Identity Theft Protection

The UIA has [resources](#) to help protect Michiganders against unemployment identity theft.

If a worker receives a Monetary Determination letter from the UIA (Form UIA 1575C) and they have not applied for unemployment benefits, or the name on the form is not theirs, they may be a victim of identity theft. If this happens, they should contact the UIA immediately online at [Michigan.gov/UIA](https://www.michigan.gov/UIA) through the Report Identity Theft link. [More tips on how to prevent unemployment identity theft and what to do if you are a victim are available online.](#)

National Unemployment Fraud

Criminal unemployment activity in Michigan, is a small part of an attack on unemployment systems nationwide. The U.S. Secret Service [issued a national alert](#) in May regarding an international criminal ring exploiting the COVID-19 crisis to commit largescale unemployment fraud and the U.S. Dept. of Labor has estimated more than [\\$26 billion in fraudulent unemployment benefits](#) will be lost to criminals during the pandemic.

Unemployment Insurance Fraud Task Force

Nessel announced the Task Force last week to bring special focus and additional resources to bear in investigating and prosecuting fraud in the unemployment insurance program.

In addition to the Attorney General, other agencies participating in this task force include:

- The Michigan State Police
- The U.S. Department of Labor, Office of Inspector General
- The Michigan Department of Labor and Economic Opportunity
- The Michigan Department of Technology, Management & Budget
- The Michigan Department of Treasury

Information around this outbreak is changing rapidly. The latest information is available at [Michigan.gov/Coronavirus](https://www.michigan.gov/Coronavirus) and [CDC.gov/Coronavirus](https://www.cdc.gov/Coronavirus).

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