

The tools of UI fraud

The recent spike in unemployment insurance (UI) fraud is no accident

For years, scam artists and organized crime rings have been gathering the tools they could use to take advantage of the relief programs that were meant to help those in need.



IDS FROM THE INCARCERATED

Many inmates had their IDs used to collect Pandemic Unemployment Assistance, both intentionally and unknowingly. In 2020, federal and state prosecutors in Pennsylvania found that thousands of inmates had worked with outside accomplices to collect funds that they were not eligible for.

TWO-SIDED FICTITIOUS BUSINESSES

These complex scams require a lot of preparation, but when they are ready, they can hit hard. In 2018, a man from New Jersey pleaded guilty to using such schemes for his own benefit, registering multiple fake businesses, then using them to get almost \$437,000 in undeserved unemployment assistance.

BENEFIT-WAGE CONFLICTS

Employment rates across the U.S. have increased almost as fast as they first dropped in early 2020, and a delayed reaction to that could be worse than the first time. The large volume of people returning to work in such a short time opens the door for the less-than-honest to double dip.

UI APPLICATIONS IN MULTIPLE STATES

Under the CARES Act, an unemployment claimant working in multiple states can only apply for aid in one, but this hasn't stopped many from trying. In one case, a single person filed claims with 40 different state UI agencies and received a total of \$222,532 in benefits.

STOLEN IDs FROM THE DECEASED

A September 2022 article from the Washington Post cited a report issued by the inspector general for the Labor Department indicating that over 205,000 social security numbers from deceased individuals were used to file UI claims, contributing to a potential total of \$45.6 billion in fraudulent UI claims during the pandemic.

Do you have
the right tools
to fight back?

Thomson Reuters® offers
solutions you need:

ID RISK ANALYTICS

Equip your team with a holistic, prioritized view of identity-based risk within your program by combining your agency data with identity verification and behavioral analytics — all in an intuitive dashboard.

CLEAR ID CONFIRM

Identify deceased or synthetic identities, as well as fictitious employers and businesses. Identify any risk associated with the subject you are investigating, such as deaths, redundant SSNs, OFAC listings, and businesses tied to the same FEIN.

FRAUD DETECT

Combine your agency data with Thomson Reuters CLEAR data to enable detailed analyses that provide investigation-ready leads with risk scoring, intuitive analytics, and a comprehensive view of program participants.

FRAUD RECOVERY SERVICES

Uncover billions of dollars of pandemic-related fraud through prosecution target packages that utilize Thomson Reuters unemployment fraud subject matter experts and data science to help you uncover criminal networks buried layers deep within your agency data.

SOURCES:

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