

Reporting Unemployment Insurance Fraud

Unemployment Insurance Identity Theft Fraud

Identity thieves and hackers have long known how to use stolen identities to commit fraud – for example, to open a new credit card or file a false tax return – and criminals using stolen identities to defraud public assistance programs is not new. In fact, such schemes are so pervasive that federal rules require Illinois to have staff dedicated to preventing and stopping fraudulent activity in the Unemployment Insurance (UI) system.

IDES partners with local and federal law enforcement agents, the Department of Labor's Office of Inspector General, Attorney General, State's Attorney and US Attorney's Offices to help us in our fight against fraud.

Please take the time to review the information below, including how to spot UI identity theft, how to report identity theft to IDES, and what happens after you contact the agency.

How can I spot unemployment insurance identity theft?

- You receive a debit card or an unemployment insurance letter (UI Finding) and have not filed a claim for benefits.
- You are notified by your employer that a claim for benefits has been filed when you have not been separated from employment.
- You attempt to file a claim online and one already exists.
- You receive IRS correspondence regarding unreported UI benefits.
- You receive notice of a state or federal tax offset.

What steps should I take if I receive a debit card or a UI Finding letter, and did not file for unemployment benefits?

If you suspect a claim has been submitted using your information, and you have not applied for unemployment insurance benefits in Illinois, take steps as follows:

• **CONTACT IDES at (800) 814-0513 TO REPORT WHAT YOU RECEIVED**

Please Note: Our call volume is high due to an increase in reports of fraud, so please be patient in waiting for your call back. When you place your call, please follow these prompts:

1. Select English or Spanish language option;
 2. Select option #1 for claimants, and;
 3. Select option #5 to report identity theft.
- **DO NOT** activate the debit card that was mailed to you.
 - **DO NOT** contact KeyBank.
 - Request your free credit reports via www.annualcreditreport.com and review them for other fraudulent activities.

FREQUENTLY ASKED QUESTIONS

What happens after I report the identity theft to IDES?

IDES is working through all calls placed to the agency. Please be patient in waiting for a callback. IDES systems sometimes generate multiple correspondence; if you receive IDES correspondence, keep them, as they provide useful information for the IDES representative during your callback.

In most instances of fraud, IDES' integrity measures stop the unemployment claim and prevent payments from being made before hearing from you.

If someone steals my identity and IDES pays benefits to the fraudster, am I responsible for paying back the money?

No. You will not need to pay back the money. Your employer won't have to repay it either.

If someone steals my identity and uses my information to apply for unemployment benefits, can I still apply for benefits if I need to?

Yes. We'll be able to distinguish your legitimate claim from a fraudulent one.

What if I reported the fraud but still received a letter stating that I must pay back an overpayment?

If you received a notice or letter from us saying you owe us money, we sent this notice of overpayment in error if you:

- Recently reported fraud, or
- Have not applied for or received unemployment benefits recently.

We're so sorry for the anxiety this must have caused, and we want to reassure you that **you do not owe any money as a result of a fraudulent claim**. If you are a victim of fraud, you can ignore the overpayment notice. Our unemployment benefits computer system sends overpayment letters automatically when people really do need to repay benefits. Due to the massive number of fraudulent claims filed recently, the computer system sent many of these letters in error before we could stop them. We're sorry you accidentally received one.

Will any funds paid on the fraudulent claim in my name be reported to the IRS as income?

No. Fraudulent funds are not reported as income to the IRS, and you will not receive a 1099 form from IDES if you report the fraud.

What are the consequences for a fraudster committing UI Fraud?

- Federal indictment
- State indictment
- Incarceration
- Fines and penalties
- Inability to draw UI benefits in the future
- Repayment of fraudulent funds until recovered in full
- Seizure of income tax refunds or payments by the way of federal and state offset programs

Other Resources

After you report to IDES that you were the victim of identity theft, go to the Federal Trade Commission and take these immediate steps to protect yourself from further acts of fraud.