



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT
DEPARTMENT OF UNEMPLOYMENT ASSISTANCE

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Fraud FAQs

1. Why are we seeing so many fraudulent claims? What is the root cause of this fraud? How is DUA responding to prevent further fraud?

Criminal enterprises in possession of stolen personal information from earlier national data breaches have been attempting to file large amounts of illegitimate unemployment claims through the Massachusetts Department of Unemployment Assistance (DUA) system. This is part of a national unemployment fraud scheme that targets all employers, not solely municipalities.

DUA takes fraudulent claims seriously and we are working closely with state and federal law enforcement agencies. We want to assure you that there is no evidence of a state data breach. Protecting claimants' and employers' information is our top priority.

The Department of Unemployment Assistance (DUA) implemented additional identity verification measures that may temporarily delay the payment timeframe for some unemployment claims in Massachusetts. As a result of these measures, for the protection of claimants, additional identity information may be requested in order to verify the validity of their claim.

2. If fraud was so prevalent going all the way back to last spring, why were there no alerts about it? Why wasn't it apparent to DUA that the claims were fraudulent?

DUA issued press releases on [May 27, 2020](#) and [July 7, 2020](#) informing the public that Massachusetts residents were targeted as part of a national unemployment fraud scam. DUA is using a variety of fraud prevention tools and continues to update those tools to keep up with the criminal enterprises that are well-organized, sophisticated and continuously evolving.

3. What should employers do when they receive correspondence regarding a fraudulent claim?

The employer plays a critical component in detecting fraud, whether it is Identity Theft, which is when someone's accurate personal identification has been stolen or when someone is working and collecting.

- Employers should confirm with their employee if they filed the claim
- If it is indeed identity theft, affected employees should be directed to complete the online fraud reporting form at <https://www.mass.gov/info-details/report-unemployment-benefits-fraud>
- Employers should complete all fact-finding using the UI Online portal (Click [here](#) for instructions)

4. Are private companies experiencing the same high rate of fraudulent claims as the municipalities?

Fraudulent activity is not limited to a specific type of employer. All employer types are affected by this nationwide fraud.

5. Why is DUA not putting some of the many unemployed to work so they can help with their enormous workload and fraudulent claims?

Combatting fraud requires both staff and technology. At the beginning of the COVID-19 pandemic, DUA hired additional staff and enhanced our technology. DUA scaled up its call center and other functions to respond to the unprecedented surge of unemployment claims and to provide constituent support.

6. Why am I being charged for a full-time employee that is still employed with me, but is laid off from a part-time job?

People that are working full-time are not eligible for unemployment insurance. If an employee is working full-time and collecting unemployment benefits, please complete a protest for this claim and enter the reason for protest in the explanation box. To submit a protest, log on to your UI Online account select **Benefit Charge Activity** and select **Benefit Charge Protests**.

7. School staff do not work in the summer and have never been able to collect before; why were they approved for unemployment? Going forward will more summer claims be approved?

If a school employee does not have reasonable assurance of returning to the same or similar position in the subsequent academic year, they would be eligible for unemployment insurance.

8. What does a person do if they get a 1099G at the end of the year and they didn't file a claim?

DUA has put procedures in place so victims of identity theft do not receive a 1099G. Should someone inadvertently receive a 1099G, they should contact DUA at (617) 626-5647 to have it corrected.

9. Will reimbursable employers be held responsible for charges associated with claims stemming from identity theft?

DUA is investigating all identity theft allegations. Employers will not be held responsible for claims stemming from identity theft.

10. As a reimbursable employer, I'm being told that I will not be relieved of charges for employees that were fraudulently working and collecting until restitution is made. What steps does DUA take for restitution? Does DUA go after this money?

DUA is investigating all identity theft allegations. Employers will not be held responsible for claims stemming from identity theft.

DUA uses a variety of collection tools that includes the following:

- Offset future benefit payments
- Intercept Federal and State Income Tax Refunds
- Refer cases to DUA legal department for civil litigation
- Refer cases to the Attorney General's Office for criminal prosecution

11. Does the DUA anticipate slowing the process down to assure that employers are given the opportunity to expose a fraudulent claim before the first payment is made? What steps is the DUA taking to verify the identity of an applicant?

Employers have 10 days to respond to DUA's lack of work notification. In addition, DUA is taking many steps and using a variety of tools and methods to verify the identity of a claimant.

12. Will UI update their Lack of Work Notification to include a check box choice of – Employee Still Working – Full Time or even better This Claim is Fraudulent. What happens when we report claims as fraudulent and charges appear on the bill – is it appropriate to protest the charges?

DUA is making improvements to the Lack of Work Notification process. If a claim is reported as fraudulent and charges appear on the bill, it is appropriate to protest the charges.

13. What does DUA suggest employees that are victims of these false claims do to protect themselves from further issues?

If an employee's identity has been stolen and a fraudulent unemployment claim has been filed in their name, the employee should report this information to DUA at <https://www.mass.gov/info-details/report-unemployment-benefits-fraud>. DUA's website also includes recommended next steps for those who believe they are a victim of fraud, including filing a police report, changing account passwords, and notifying credit card companies, banks, and other financial institutions.