

Kansas Legal Services

A non-profit law firm and community education organization helping low and moderate income people in Kansas



www.kansaslegalservices.org

Identity Theft: Unemployment Fraud on the Rise

This information is provided by the Kansas Department of Labor -- <https://www.dol.ks.gov/ui-faqs/unemployment-fraud>

Identity Theft in Unemployment Claims

NOTE: If you receive an end-of-the-year tax form (i.e., Form 1099) from the Kansas Department of Labor, or any other state, that lists unemployment insurance compensation for which you DID NOT apply and which you did not receive -- that could mean that you are a victim of identity theft.

You should go to the state's department of labor and report the identity theft as soon as possible. Most states' departments of labor have a special link for you to report identity theft. In Kansas, go to <https://www.dol.ks.gov/fraud>.

If you do not report the identity theft, you will be responsible for the federal taxes owed on the amount reported in your name. So don't waste time before you report the theft.

Watch this video.

- **What is unemployment fraud?**

Unemployment fraud is the willful misrepresentation of information by an individual for purposes of collecting unemployment benefits. Anyone who collects unemployment while knowingly doing something that would make them ineligible has committed fraud.

- **How do I report my suspicions of UI fraud?**

If you believe your identity has been stolen or a fraudulent unemployment claim has been filed using your information, go to www.dol.ks.gov/fraud to submit a report to our Fraud Investigation team.

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What are some things that can cause fraud?

Fraud occurs when a claimant receives benefits:

- and has refused suitable work and fails to report this
- while working and does not report those earnings
- while working and does not report the correct amount of earnings
- while operating their own business

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What's the penalty for unemployment fraud?

Someone found to have committed fraud is disqualified from receiving any unemployment benefits for a period of five years and can be prosecuted for making false statements or withholding material information to obtain benefits not due to the individual.

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Why should I care if someone commits unemployment fraud?

Each year, employers pay unemployment taxes which are deposited into the Unemployment Insurance (UI) Trust Fund. Unemployment benefits are paid out from this fund to workers who have lost their jobs through no fault of their own. Employers' tax rates are affected when workers make claims against their account. Fraud can have a negative impact on these employers. Fraud may also reduce the balance of the UI Trust Fund which impacts payments to those who are unemployed. The Kansas Department of Labor (KDOL) works to ensure unemployment benefits are not being diverted from the UI Trust Fund to those who are not eligible. Funds recovered from those fraudulently receiving regular unemployment benefits are returned to the UI Trust Fund.

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Can a claimant work part-time while receiving benefits?

Yes, you may receive some unemployment benefits if you have other wages. You can receive benefits, or a portion of your benefits, if you work less than full time and earn less than your weekly benefit amount. You must report all wages earned that week when you file your weekly claim. ([See Payment Information](#))

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Can a member of a union that is on strike receive unemployment benefits?

If you are involved in a strike (labor dispute) you are not eligible for unemployment benefits during the strike if you refuse to cross the picket line. Individuals who are part of a temporary layoff by their employer are eligible to apply for unemployment benefits during the layoff period.

- **Can a claimant receive benefits in Kansas while working a full-time job in another state?**

No, you cannot collect unemployment once you return to full-time work, no matter if it is in a different state or for a different employer.

- **Can a claimant operate their own business and receive benefits at the same time?**

If he or she is operating a full-time business, he or she is not eligible. If this is a part-time occupation such as selling cosmetics or vitamin supplements, the income must be reported and it might reduce any benefits to which he or she is entitled.

- **How do you catch fraud?**

The Kansas Department of Labor has a special Fraud Investigations unit that handles all allegations of Fraud. The group's purpose is to detect, investigate and prosecute, if necessary, incorrect payments of UI benefits.

Most leads come from a quarterly cross-match of audits sent to employers. The audit checks for claimants who received benefits in the same quarter they also received wages reported by an employer. We also use the national and state directory of new hires to check for those collecting benefits after starting a new job.

Tips from the public are a great source of information in catching fraudulent activity. If you believe someone is fraudulently collecting unemployment benefits, please report it immediately to our Fraud Investigations unit. All allegations of fraud are investigated.

- **Can anyone report fraud?**

Yes, if you suspect that someone is fraudulently receiving unemployment benefits, please notify the Fraud Investigations unit. Be sure to include as much information as possible so that we can adequately investigate your claim. If you do not have all the information requested, don't worry—just tell us what you do know.

- **Can you report anonymously?**

Yes. You can make an anonymous report, but providing us with your contact information allows us to obtain additional information if necessary.

- **Are all reported fraud cases investigated?**

All allegations of fraud are investigated. The more information you can provide, the better chance we have of conducting a successful investigation.

- **What information do you need when I report a suspected fraud case?**

The two most important pieces of information to report are the person's full name and the reason you believe they are committing fraud. Other information that may help us correctly identify the individual includes the person's address, phone number, birth date, the last four digits of his or her Social Security number as well as their current employer's name and address. See the online or downloadable reporting forms for more details.

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