

IDES Partnering With IDFPR, Financial Institutions To Combat Unemployment Fraud

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SPRINGFIELD – IDES has partnered with the Illinois Department of Financial and Professional Regulation (IDFPR) – Division of Banking and Division of Financial Institutions to work with financial institutions in detecting and combating unemployment fraud. The discovery of unemployment fraud can often be identified early on at the financial institutional level. Coordinating and engaging financial institutions as a resource has been a proven and successful approach in identifying fraudulent actors and detecting and recovering improper payments.

Financial institutions should be on the lookout for the following suspicious activities to assist IDES in combatting unemployment fraud:

- New account with sudden multiple deposit transactions from state unemployment insurance programs
- Name and/or data on the account does not match the name and/or data with ACH transaction(s)
- Account holder is receiving unemployment insurance transactions from a state(s) in which they do not reside
- Account holder is receiving multiple unemployment insurance transactions from multiple states
- Same device is accessing multiple accounts

- Point of sale transactions are inconsistent with the address on the account

“IDES is committed to continuing to get the unprecedented amount of benefits out the door to our claimants who desperately need it while being acutely aware that rampant fraud is penetrating all state unemployment systems across the nation,” said IDES Acting Director Kristin Richards. “While we are vigilant in our methods to detect, stop, and pursue fraudulent actors, we welcome any partnership that will assist the Department in this effort.”

“A top priority of IDFPR is to keep the residents of Illinois safe,” said IDFPR Secretary Deborah Hagan. “We are happy to work with our partners at IDES and we appreciate the assistance from Illinois banks and credit unions to help combat unemployment insurance fraud.”

Last month, IDES announced it was working with local and federal law enforcement authorities to investigate, pursue, and prosecute the widespread unemployment fraud scheme being conducted nationwide, impacting each state’s federal Pandemic Unemployment Assistance (PUA) programs, implemented as a result of the COVID-19 pandemic.

An individual who has not filed an unemployment claim but has received a debit card or an unemployment insurance (UI) finding letter in the mail has most likely been the target of fraud. An individual’s personal identifying information is being used by fraudsters to file an unemployment claim is likely due to a prior cyber hack or data breach, such as the Equifax breach. It is imperative that individuals take the following steps if they have not filed an unemployment claim and have erroneously received an unemployment debit card or UI finding letter in the mail:

- Immediately [report the claim online](#) or call IDES at 800.814.0513 and when prompted:

- o Select the English or Spanish language option
- o Selection option 1 for claimants
- o Selection option 5 to report identity theft

- Do not activate the debit card that was mailed to you.
- Have your credit report checked for possible suspicious activity and post a fraud alert.
- Visit the [Federal Trade Commission’s website](#) to learn helpful tips on recognizing and reporting identity theft.

The increase in the fraudulent unemployment claims is attributed primarily to the Pandemic Unemployment Assistance (PUA) program. Under the ambiguous federal guidelines, which were developed in haste because of the urgency of the pandemic and issued to every state without a uniform method of implementation, the potential for fraud within the system is abundant. Most recent data show there to be approximately 107,000 fraudulent claims affecting the PUA system since its launch on May 11, with just 14,500 fraudulent claims affecting the regular unemployment system since March 1.