

Maryland Department of Labor Detected Over 156,000 Potentially Fraudulent Unemployment Claims Filed Since January

States Across the Nation Experiencing Significant Spike in Fraud Over 87% of Claims Investigated in Maryland Confirmed as Fraudulent

BALTIMORE, MD (February 11, 2021) - The Maryland Department of Labor (Labor) today provided an update about the department's ongoing unemployment insurance fraud detection, prevention, and investigation efforts.

Over 156,000 Potentially Fraudulent Claims Detected Since Beginning of January

With the record number of unemployment insurance claims filed and the additional federal benefits available during the COVID-19 pandemic, states across the nation have continued to see bad actors and fraudsters using illegally obtained data to file fraudulent unemployment insurance claims.

However, since the passage of the Continued Assistance for Unemployed Workers Act (CAA), which expanded the federal CARES Act programs and

most notably offered an additional \$300 a week to eligible claimants through the Federal Pandemic Unemployment Compensation (FPUC) program, states have seen a significant spike in fraudulent activity.

Of the 243,186 new claims filed in Maryland since January 1, 2021, 156,403 claims (64.31%) have been flagged as being potentially fraudulent due to new and existing aggressive security measures in place to protect taxpayers and the integrity of the state's program. As fraudsters are becoming more brazen and adapting their tactics, Maryland continues to add new technology and safeguards to prevent and detect fraud.

Over 87% of Claims Flagged and Investigated Confirmed as Fraudulent

With aggressive security measures in place, Labor continues to investigate potentially fraudulent in-state and out-of-state claims. With **over 87% of claims flagged and investigated being confirmed as fraudulent**, it is critical that the department reviews and verifies documentation manually. *

- Of the 161,897 out-of-state claims that have been identified as potentially fraudulent, 147,305 (90.99%) have either not uploaded

the verification documentation requested or their documentation has been reviewed and denied.

- Of the 226,933 in-state claims that have been identified as potentially fraudulent, 191,358 (84.32%) have either not uploaded the verification documentation requested or their documentation has been reviewed and denied.
- Of the 388,830 claims flagged, there are currently 14,348 (3.69%) in-state and out-of-state potentially fraudulent claims pending manual review and verification by a team of specialists.

*Note that these numbers are subject to change as the department continues to flag potentially fraudulent claims. Labor continues to coordinate its investigation with the U.S. Department of Labor's Office of the Inspector General (OIG) and the U.S. Attorney's Office.

Report Unemployment Insurance Fraud on Quarterly Employer Statements

The department recently emailed all employers about potentially fraudulent charges appearing on their fourth quarter benefit charge statement because of an increase in the number of claims fraudulently filed in the names of people who are actively working.

This means that claims may be fraudulently filed for an employer's employee, even though the employee is still working and is not unemployed. Please note that employers will not be charged for any fraudulent benefits associated with their account. All employers should carefully review their current and previous benefit charge statements to ensure that all claimant benefits charged to their account are accurate.

If an employer believes a fraudulent claim has been charged to their account, they should immediately file a benefit charge protest through their BEACON employer portal located at employer.beacon.labor.md.gov. The department will investigate their protest and will remove charges that are deemed fraudulent. For additional assistance, employers can contact the Employer Call Center by calling 410-949-0033.