



# UPDATE

## CLIENT INFORMATIONAL SERVICES

### SEPTEMBER 1, 2014

UCAC, INC. CORPORATE HEADQUARTERS AT WEST PALM BEACH FLORIDA  
REDUCING UC COSTS BY AUDITING BENEFIT CHARGES AND PAYMENT OF CLAIMS

## State Agencies Are Seeing Unprecedented Increases in Identity Theft and Fraudulent Claims

The U.S. Inspector General's office is investigating what could be a multi-state **unemployment insurance fraud scheme** that resulted in Massachusetts paying out at least \$280,000 in fraudulent claims since March, according to state officials.

The Massachusetts Executive Office of Labor and Workforce Development became aware of the suspicious patterns within the past two weeks, and officials say benefit payments obtained fraudulently have been stopped.

An additional 500 claims were blocked in Massachusetts before payments started, preventing \$9.3 million in costs to the State, had they gone undetected. "I don't know if they know if it's one

individual or one entity, but there are patterns that suggest it might be contained. These things are serious, but we also feel we have identified it and we expended very little before we were able to cut them off at the knees," Labor and Workforce Development Secretary Rachel Kaprielian said.

The Inspector General's investigation involves claims made in Massachusetts, as well as Kansas, Nevada, New York, Texas, Florida and New Mexico.

In Massachusetts, just fewer than 600 fraudulent claims tied to the investigation have been made since March out of a total of 61,000 new claims filed with the State.

Founder/CEO/CFO of UCAC, Inc. celebrates his 88<sup>th</sup> birthday this year! **Bertram F. Collins**, a nationally recognized Unemployment Compensation expert, who has authored comprehensive State unemployment legislation, testified before multiple Congressional committees, provided leadership and direction to UCAC's staff of experts in unemployment cost containment services for over 60 years, saving its clients many millions of dollars in UC taxes, and continues today in his vital leadership role, navigating and guiding clients in complex employer compliance issues in ever-changing UC State agency mandates.



By MA State House News Service on June 11, 2014 at 11:00 p.m., updated June 11, 2014 at 11:06 p.m. - Matt Murphy



## MARKET WATCH – UI FRAUD

**State of Washington** - <http://www.esd.wa.gov/uibenefits/communication/fraud/report-fraud.php>

**State of Texas** – Fraud Hotline: 800-252-3642, email: [TWC.fraud@TWC.state.tx.us](mailto:TWC.fraud@TWC.state.tx.us)

**State of Georgia**- [http://www.dol.state.ga.us/report\\_ui\\_fraud.htm](http://www.dol.state.ga.us/report_ui_fraud.htm)

**State of Florida** - <http://www.floridajobs.org/job-seekers-community-services/reemployment-assistance-center/report-fraud-or-overpayments/report-unemployment-compensation-fraud-online>

Go to [www.ucac.com](http://www.ucac.com) often for updated information important to your state.



**Let Us Help *YOU* Combat Fraud  
and Get the Most from our Tax  
Rate Analysis and Benefit Charge  
Statement Auditing Services by  
Sending Us Your Tax Rate Notices  
& Benefit Charge Statements as  
Soon as You Receive Them!**

Dozens of **New Jersey** inmates who collected unemployment benefits could soon find themselves back behind bars in a widening criminal investigation by the State Attorney General's Office.

Authorities announced Tuesday that five former county jail inmates, along with the wives of three of them, were charged with stealing about \$100,000 in unemployment insurance benefits while the five were in custody.

But that list is likely to grow. "We're continuing to work with the Department of Labor to investigate this type of fraud, and we expect to charge additional defendants," said Elie Honig, director of the State's Division of Criminal Justice.

At least 50 names have been referred to the Attorney General's Office by the State Department of Labor and Workforce Development, officials said.

Those named Tuesday were discovered as part of an audit last year by the Office of the State Comptroller, which uncovered \$10.6 million in fraudulent unemployment

insurance checks issued to more than 7,600 inmates over a two-year period.

The names of the top 50 identified in the audit — including those announced Tuesday — were initially sent to the Labor Department's Income Security Division for further investigation.

Pete McAleer, a spokesman for the Comptroller's office, said some inmates collected as much as \$39,000 in ineligible benefits.

Acting Attorney General John Hoffman said unemployment insurance is intended to help workers who lose their jobs, "not to provide a free paycheck to criminals while they sit in jail."

To receive unemployment benefits in New Jersey, applicants must certify they are "able to work, available for work, and actively seeking work," ruling out anyone being held in prison.

Officials said the inmates identified Tuesday, most of whom were serving time for driving while intoxicated, applied for unemployment before they were jailed, and then falsely certified through phone calls or online that they were ready and able to work after they were in custody. They collected from \$12,000 to more than \$28,000.

Since the inception of the system, department spokesman, Brian Murray, said it has flagged UC claims to 2,161 county inmates, saving \$1.92 million.

**UCAC, Inc.  
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**Southwest Region**  
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*Tom Gibbons, Manager*  
Client Services Manager  
*Jane Havard*

**East Central Region**  
Chadds Ford, PA  
*Zen Iwasiw, Manager*

Reprinted from article by Ted Sherman, The Star-Ledger

[http://www.nj.com/news/index.ssf/2014/06/unemployment\\_fraud\\_investigation\\_could\\_nab\\_more\\_nj\\_inmates\\_who\\_collected\\_benefits\\_in\\_jail.html](http://www.nj.com/news/index.ssf/2014/06/unemployment_fraud_investigation_could_nab_more_nj_inmates_who_collected_benefits_in_jail.html)

UCAC, Inc. monitors these fraudulent activities as part of our standard service to keep you informed about what is happening in the industry. In addition, our Statutory Compliance Department continually evaluates the State regulatory issues affecting unemployment taxes in order to help our clients lower their tax rates and increase their company's profitability. The severity and complexity of state compliance issues make the controlling of today's unemployment compensation costs extraordinarily cumbersome, and we are committed to assisting our clients in abiding by the requirements to avoid the many legal implications and pitfalls in the marketplace.



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