



Clearing Your Unemployment System From the Outbreak of Waste, Fraud, and Abuse



Unemployment systems **got sick** at the start of 2020.



Estimates of waste, fraud, and abuse nationwide range from **\$87 billion to \$400 billion**.



Leading service providers to state agencies estimate as much as **50% of the money has been stolen** and **70% of the stolen money has left the United States**.

So, what can YOU do?

1

Take Preventative Measures With Cross-Checks

WHAT

Perform **routine cross-checks of pre-existing databases** to which the state already has access, like new hire records, death records, prison rolls, and the NASWA Integrity Data Hub.

WHY

72% of voters support **data cross-checks for unemployment**.

2

Help Diagnose Fraud by Flagging Suspicious Activity

WHAT

Automatically review cases where many claims have the same IP address, have the same physical address, use the same bank account, and originate in other countries.

WHY

64% SUPPORT requiring states to conduct further review of claims that list a bank account already in use by another claimant

3

Prescribe Continuing Treatment with Authentication and Tracking

WHAT

- **Protect** user identities and implement dual factor authentication.
- Have the unemployment agency **track** its performance and report back to the legislature each year.
- **Collect** improper overpayments when possible.
- **Keep** those who commit unemployment fraud from receiving unemployment benefits for five years.

WHY

- An Illinois data breach exposed Social Security numbers and other private information of **32,483 Illinois unemployment applicants**.
- States lack sufficient safeguards on their unemployment systems, **enabling fraudsters to bilk taxpayers out of billions of dollars**.

68%

of voters support requiring states to implement new website security measures to prevent unemployment agencies from being targeted by fraudsters.

There are countless examples of unemployment fraud schemes.

One fraudster used **hundreds of stolen identities** to file claims in Hawaii, Massachusetts, Montana, New York, Pennsylvania, Washington, and Wyoming—all connected to a single e-mail address.

A Nigerian fraud ring named “Scattered Canary” perpetrated fraud all over the country, **stealing as much as \$650 million in unemployment benefits from Washington state alone**.

IT'S TRENDING

Between November 2020 and June 2021, nine states passed significant unemployment program integrity legislation to reduce waste, fraud, and abuse: Louisiana, Alabama, Arizona, Arkansas, Kansas, Kentucky, Montana, Vermont, and West Virginia.



BOTTOM LINE

FGA's unemployment program integrity reforms are popular, non-controversial, and have bipartisan support.