



Workforce
Solutions



The Fraud Avalanche:

Could Your Unemployment Claims
Process Be Buried in Risk?

March 27, 2025

Thanks for Joining Our Webinar



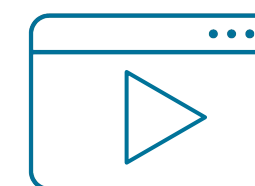
Welcome!

Thank you for joining our webinar. Stay tuned for more from Equifax Workforce Solutions!



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Recording

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Current Landscape of Unemployment Fraud

- Legislative Update
- Triggers & Spikes in Fraudulent Activity
- Behind the Scenes



Potential Risks for Employers

- Better Understand the Scope of ID Theft/Fraud
- Potential Financial Impact
- Other Potential Impacts
- Potential Impacts on Your Employees



Best Practices

- Proactive Measures
- Addressing Fraudulent Claims
- Resources



Current Landscape of Unemployment Fraud

Legislative Update

H.R.1156 - Pandemic Unemployment Fraud Enforcement Act¹

The estimated scope of fraud is in the billions of dollars²

Recovery challenges (State & Federal)

Complexities of international fraud (e.g., Russia, Nigeria, China)



Triggers & Spikes in Fraudulent Activity



State modernization efforts and increased fraud¹

The impact of natural disasters (i.e. hurricanes, floods) on fraudulent claims²

The release of 1099G's often alerts victims to the fraud³

Unemployment Compensation for Federal Employees (UCFE) - flurry of Federal activity⁴



Fictitious Employer Schemes*

Potentially impactful to all legitimate employers through socialized charges



Behind the Scenes



Ongoing efforts of state agencies and federal entities (FBI, Secret Service, OIG) to combat fraud¹

The NASWA Integrity Data Hub (IDH) utilized by all states in some capacity²

Misconception: states are not actively fighting fraud³

Why are specific investigative details kept confidential?⁴



Potential Risks for Employers

Better Understand the Scope of ID Theft & Fraud



A Direct Hit on Identity Security¹

- Unemployment Insurance (UI) fraud is not just a financial crime; it's a direct and damaging form of identity theft.
- Criminals are exploiting stolen personal information to file fraudulent claims, which could put your employees and your business at greater risk.

Warehousing and Delayed Impact²

- Criminals often 'warehouse' stolen data, meaning they collect and store it for future use.
- This delayed action can make it harder to detect and prevent fraud, as the impact may not be felt for months or even years.



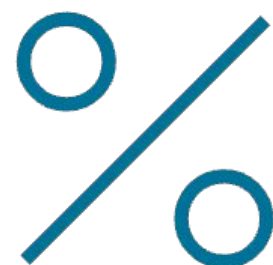
Did you know?

Employment or Tax Related was #5 in top reported Identity Theft types to the FTC in 2024.³

1. ITRC, 2 [ITRC 2024 Breach Report](#) 3. [ftc.gov/data](#)

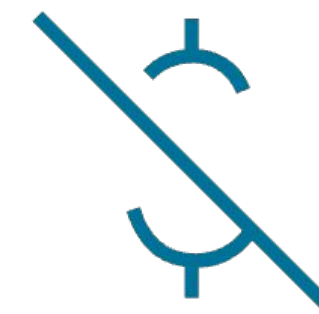


Potential Financial Impact



Increased Unemployment Tax Rates

- In many states, employers' unemployment tax rates are experience-rated, meaning they are based on the number of unemployment claims charged against their accounts.
- Fraudulent claims can artificially inflate these numbers, which can lead to higher tax rates.



Direct Financial Losses

- For reimbursing employers, the impact is even more direct, as they are directly billed for the cost of fraudulent claims.
- Especially for reimbursing employers, fraudulent payouts result in direct financial losses. Getting restitution can be very difficult.*



Other Potential Impacts



Burden on HR

- HR departments are often responsible for responding to unemployment claims and investigating potential fraud. This can increase their workload, especially during periods of high fraud.
- They often dedicate resources to verifying employee information, responding to state agency inquiries, and providing support to affected employees, which can involve increased administrative costs - *time spent on research, documentation, and communication with state agencies.*

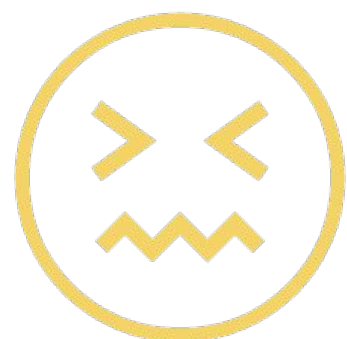


Strain on State Relationships

- High levels of fraud can strain relationships between employers and state workforce agencies. Employers may become frustrated with the agencies' inability to prevent fraud, while agencies may struggle to keep up with the volume of fraudulent claims.
- It becomes increasingly important for employers to have clear and efficient communication with state workforce agencies. Any delay in communication might cause added financial burden to the employer.



Potential Impacts on Your Employees



Stress & Anxiety¹

- Employees whose identities are stolen and used for fraudulent claims can experience significant stress and anxiety.
- They may worry about the potential for further identity theft and financial repercussions.
- Once an individual's personal information has been compromised, they are at increased risk of other forms of fraud, such as credit card fraud or tax fraud. Unemployment fraud can be a gateway to further victimization.



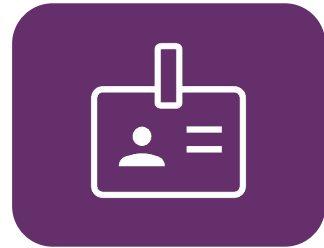
Time & Effort

- Employees may have to spend considerable time clearing their names, reporting fraud to authorities, and correcting errors in their records.
- They have to deal with the complexities of identity theft, which can be time-consuming and emotionally draining, which can disrupt their work and personal lives.



Best Practices & Tips for Employers

Take Proactive Measures: Verify, Respond, & Report



Verify Employee Information - Regularly verify employee information to help ensure accuracy and better detect discrepancies. This includes cross-referencing data across HR systems.



Promptly Respond to RFIs (Requests for Information) - Timely and accurate responses to state agency RFIs are critical. Delays can lead to fraudulent payouts and increased costs.



Respond to ALL UI Claims - Responding to every UI claim, even seemingly legitimate ones, is a vital defense mechanism. This allows you to alert state agencies to potential fraud early on.



Report Potential Fraud - Establish a clear process for reporting suspected fraud. Encourage employees to report any irregularities.



Take Proactive Measures: Educate & Partner



Educate Your UC Team - Familiarize yourself with the various forms of UI fraud. A claim filed for a current employee might not be fraudulent but should be investigated.



Employee Education - Educate employees about the risks of identity theft and UI fraud. Empower them to report suspicious activity.



Partner with State Agencies - Build strong relationships with your state workforce agency (in each state). Collaborate on fraud prevention and detection efforts.



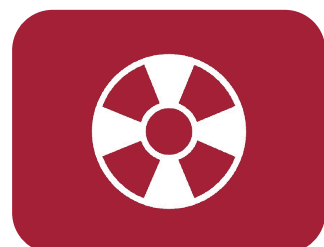
Work closely with your Equifax Charge Analyst - Work with your Equifax Charge Analyst to review any potential fraud-related charges.



Addressing Fraudulent Claims



Guidance on Responding - Develop a clear process for responding to fraudulent claims. This includes gathering evidence, documenting communications, and filing appeals when necessary.



Offer Resources and Support - Provide employees with resources and support to help them navigate the complexities of identity theft and UI fraud.



Use Equifax Resources - Take advantage of our available resources, such as guides, blogs, and thought leadership articles, to stay better informed on fraud prevention best practices.



How Equifax Can Help



Workforce
Solutions

A More Holistic Approach to Helping Combat Fraud

Unemployment fraud is a continuing threat to businesses and employees alike*

We offer a powerful suite of tools that work together to help defend against unemployment fraud – helping protect both you and your employees.

Our more comprehensive approach combines proactive prevention and earlier detection with more thorough validation, and in-depth recovery support

New Hire Reporting

Helps more quickly detect potentially fraudulent claims filed by individuals who are still working

Helps reduce or prevent further payments and triggers state investigations

Wage Audits

Helps verify the accuracy of reported wages

Helps expose attempts to inflate earnings to receive higher benefits

Benefit Charge Checking

Helps you more quickly identify and address potentially fraudulent claims typically *before* payments are made

UC Fraud Alerts & Fraud Watch

Provides constant monitoring and sends instant alerts directly to an employee if a claim is filed in their name

Provides personalized support to employee victims of fraud, helping them through the reporting and recovery process

Analyzing SUI Tax Rate Impact

Providing more transparent, real-time period charge reporting to analyze charge detail down to the claim level

Helping identify inaccurate benefit charges that can impact your tax rates and disputing them



Did you know?

We continue to update and offer robust training opportunities, ***at no cost to clients***, via our dedicated online community Connections.

*gao.gov



Unemployment Claims Fraud Watch

Connecting unemployment claims and the alerting capability of our identity theft protection solution to proactively monitor for unemployment claims filed using your associates' identities and rapidly notifying them if we identify a claim submitted in their name.

Unemployment Claims Monitoring and Alerts

Proactive monitoring for claims filed using associates' identities

Direct notifications when a claim is submitted in their name

Helps reduce administrative tasks of identifying fraud and notifying associates



Key Takeaway:

Expanding claim filing notifications can increase the chances of catching fraud and stopping payments sooner — helping reduce costs and providing an important benefit to associates.

Dedicated Resolution Specialists

Direct personalized support from identity experts

Helps associate victims of UI fraud report and resolve the fraud

Helps save time, provides greater peace of mind when resolving fraud and helps reduce losses in productivity

Ongoing Identity Protection

Associates enroll in ID Watchdog as a voluntary benefit

Award-winning solution with advanced monitoring, protection, and resolution for the whole family

Unemployment claims monitoring across your workforce

UCM and Identity Protection integrated under one company

Access to live support 24/7/365 from U.S.-based agents

More features to help protect against identity fraud for associates and their families



Empowering Employees: Identity Theft Protection

Help employees and their families fight identity fraud for greater peace of mind with ID Watchdog, from Equifax.



Financial & Identity Fraud Protection

Put your trust into an award-winning identity theft protection service, recognized by Javelin Strategy & Research as a “Best in Class” leader for three consecutive cycles — we’ve built a reputation on excellence for our capabilities in detection, monitoring, alerting, and prevention.



Expanded Family Protection

We offer more features to help protect minors than any other provider. Additionally, you can choose to extend protection to family members living in the house or family living anywhere, so you can include coverage for dependents, parents, and even grandparents.



Personal Cyber Security

We want to empower everyone to navigate the digital world safely. Our solution includes robust digital privacy and device security tools you can adopt and implement on your devices, helping to reduce the likelihood of cyber attacks, phishing, or other AI-powered scams.



Resolution & Insurance

We've made protecting participants and their families from financial losses even easier — offering a financial safety net that makes sense for a broad array of situations to extend peace of mind. Even more, our team of resolution specialists are here to walk you through it, step by step.



“I wouldn’t have known that this (fraud) existed without an alert from ID Watchdog. Thank you for helping me get to the bottom of what this was and finally resolved. I would recommend your company.”

Nathan, a thankful employee, Sept 2023



Awarded Best in Class Identity Protection Service Provider for Consumers



Q&A

**Have a question?
Enter it in
the chat now!**

Next Steps



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