



STOLEN IDENTITIES USED FOR UNEMPLOYMENT FRAUD

There are many different kinds of identity theft that can affect victims in various ways. Most of them are fairly well-known, and can affect bank accounts, credit data and tax returns. However, one that doesn't get talked about much, but which can cause significant problems for you should you ever be affected by it, is unemployment fraud.

As the name implies, unemployment-related identity theft happens when a criminal uses a person's name to file for unemployment benefits and collect a check from the government, according to the consumer financial advice site Planting Our Pennies. Typically, this requires a fraudster to gain access to certain personally identifying details such as name, Social Security Number, place of work, and so on. That information can then be used to collect unemployment benefits from a state government until the crime is discovered and reported to the proper authorities.

What can happen?

One way in which such a crime can be committed was highlighted in a case in Washington State, according to the Seattle Medium. There, a couple operated for years, stealing people's identities for various types of crimes, including unemployment fraud. In the latter case, they used employee information from a company that had gone out of business to collect some \$50,000 in unemployment payments. The work involved was intricate.

First, the couple stole people's sensitive personal data and used it to build credit profiles that they could then use to file for unemployment checks and open bank accounts in their victims' names. The full extent of their crimes wasn't discovered until they left a laptop containing scads of evidence about their crimes behind at a motel in Washington. They were convicted in 2016 and sentenced earlier this year.

When these crimes happen, it could lead to lose legitimate unemployment benefits, garnished wages or tax problems. That's why it's so important to catch this crime before it causes major problems.

How can you spot this crime?

With certain types of identity theft, the issue is often that you will have no idea you've been ripped off unless you know where and how to look for such evidence, the MUIA added. For instance, many unemployment fraud victims only find out their identity has been stolen when they receive their annual tax documents and discover they owe money on benefits the thieves collected. In other cases, victims may find out when they attempt to file for legitimate unemployment benefits but discover another person did so first. Finally, employers are sometimes contacted by UI agencies and pass the information along to employees who are still employed.



In other rare cases, unemployment insurance agencies will send requests for more information about a filing (not knowing that it's fraudulent) to the victim, or the IRS might alert people that they've been underreporting their income.

What to do when it takes place?

If you think you've been victimized by unemployment fraud, it could be indicative of bigger identity theft-related issues, according to the IRS. As such, you should place fraud alerts on your various credit reports, and check these documents carefully for any information that doesn't seem accurate. Further, you should alert the Unemployment Insurance agency in the state where the fraud has been committed about the problem, as well as the Federal Trade Commission and local or state law enforcement.