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KDOL makes reporting unemployment insurance fraud easier

New website allows individuals to report suspected fraud

TOPEKA — The Kansas Department of Labor (KDOL) is taking additional measures to detect unemployment insurance fraud with the creation of a new section on the department's website. The new unemployment fraud section allows anyone to report suspected fraud through an online submission form, a printable form or by calling the Fraud Investigations unit directly.

Unemployment fraud is the willful misrepresentation of information by a worker to collect unemployment benefits, or a misrepresentation by an employer to allow an ineligible worker to receive unemployment benefits or to avoid the distribution of unemployment benefits. Each year, employers make unemployment insurance contributions that are deposited into the Unemployment Insurance (UI) Trust Fund. Unemployment benefits are paid out from this fund to eligible workers who have lost their job through no fault of their own. Employers' contribution rates are affected when workers make claims against their account and the balance of the Trust Fund.

"We want to be sure that unemployment compensation is being received by those who have a right to collect it, and that money is not being diverted from the UI Trust Fund to those who are not eligible," said Secretary of Labor Jim Garner.

Fraud occurs when a claimant:

- receives benefits while working and does not report those earnings
- receives benefits while working and does not report the correct amount of earnings
- receives benefits while operating their own business
- receives benefits and is not able and available for work (for example, the claimant is on vacation, out of town, injured or in the hospital)
- receives benefits and has refused acceptable work
- receives benefits and is not looking for work

Fraud also occurs when an employer:

- Intentionally misclassifies a worker as an independent contractor to avoid making unemployment insurance contributions.
- Knowingly provides false data about a separation to allow a claimant to work and draw unemployment benefits at the same time.
- Creates a fictitious employer account to allow an employee to draw unemployment benefits against a company that does not exist.
- Has multiple accounts and reports employees to the account with the lowest tax rate when they have not actually performed services for that entity.
- Knowingly provides an incorrect Social Security number for an employee.

- Knowingly reports wages on an exempt family member to allow them to draw unemployment benefits.

Kansas law provides penalties to claimants and employers who commit unemployment fraud. If you believe someone is fraudulently collecting unemployment benefits, please report it immediately to KDOL's Fraud Investigations unit at: www.dol.ks.gov/fraud/fraud.html or by calling 785-296-6480. Incidents of employer misclassification can be reported to the Kansas Department of Labor and the Kansas Department of Revenue online. All allegations of fraud are investigated. Anonymous reports are allowed, but providing contact information allows us to obtain additional information if necessary.

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