

# UI Benefit Fraud

## FREQUENTLY ASKED QUESTIONS

- What is considered unemployment fraud?**  
Whenever a claimant or employer conceals or misrepresents any eligibility information that can affect benefits paid, you have potential fraud.
- How does the UIA find out about unemployment fraud?**  
The UIA has various means to detect fraud and abuse. A few include: auditing employer records, comparing benefit claims to payroll records in Michigan and other states, exchange of information between agencies, complaints from employers and tips from the public.
- What can happen if you commit unemployment fraud?**  
Any benefits paid as a result of fraud must be paid back. Also, Michigan law provides for penalties of up to four times the amount taken and/or criminal prosecution. For a person convicted of fraud, the benefit year in which the fraud occurred is canceled. Any future benefits may also be used to pay restitution.
- What are the penalties and how do they work?**  
If a person fraudulently receives \$500 or more in unemployment benefits, the penalty amount is four times that amount. For example, if the amount fraudulently received was \$1,000, that amount must be repaid, along with \$4,000 in penalties.
- How do employers commit fraud?**  
An employer can commit fraud by paying workers under the table to avoid paying taxes, by intentionally misclassifying workers as independent contractors instead of employees, by failing to report all wages paid, or by allowing employees to collect unemployment benefits while continuing to work full time.
- Do I have to report working on my weekly claim if I have not been paid yet?**  
Yes. All wages must be reported on your weekly claim certification for the week in which you worked, not in the week you are paid.
- How much can I earn before I have to report my wages?**  
Any and all wages earned must be reported on your weekly claim while collecting unemployment Insurance benefits.
- What if I make a mistake when calling MARVIN?**  
If you realize you've made a mistake and you've already completed your call, you should immediately contact the UIA to provide the correct information.
- How do I report unemployment fraud?**  
If you suspect that someone is committing unemployment insurance fraud, you can report it on the UIA web site: [Michigan.gov/uia](http://Michigan.gov/uia), or call the **Fraud Hotline at 1-855-UI-CRIME (842-7463)**. You can either remain anonymous, or provide your name and other information.

**DETECT FRAUD.**  
**PREVENT FRAUD.**



[www.michigan.gov/uia](http://www.michigan.gov/uia)