

# UI FRAUD COSTS EVERYONE

UI Fraud is a crime, and it affects everyone. It drives up unemployment taxes for businesses, it affects people with legitimate unemployment benefit claims, and it puts a strain on the state's unemployment trust fund. The person committing fraud could be a claimant who is intentionally misrepresenting information being provided to the Unemployment Insurance Agency (UIA) when filing and/or certifying for unemployment benefits or could be a traditional fraud matter whereby a criminal is impersonating or representing themselves as a claimant for unemployment benefits. In every instance of fraud, individuals may face criminal prosecution, fines, and penalties of up to four times the amount.

Help the UIA stop fraud by knowing how it happens and how to report it. Reporting fraud can save millions in tax dollars and ensure that unemployment benefits are available for those who need them most.

## TYPES OF FRAUD

### Claimant Fraud

- Working while collecting benefits and not reporting hours of work and earnings to MARVIN;
- Supplying deceptive information or failing to disclose information such as vacation/holiday pay, severance pay, or other pay after job separation;
- Providing false work search efforts;
- Failing to report not being able and available to work (ill or injured, on vacation) while collecting UI benefits;
- Using another person's identity (name or social security number) to work and/or file a UI claim;
- Failing to report refusals of work;
- Providing a dishonest reason for separation.

### Employer Fraud

Individuals or businesses that deal in cash only or use other schemes to hide their activities and their true tax liability such as:

- Providing false information to prevent an otherwise eligible claimant from obtaining benefits;
- Paying employees "under the table" to avoid paying taxes;
- Incorrectly reporting wages;
- Intentionally misclassifying employees as independent contractors.

## HOW TO REPORT FRAUD

If you think someone is committing unemployment benefit or payroll tax fraud, please report it immediately. All allegations are taken seriously. Please include as much information as you can such as:

- Who is committing fraud?
- What is their address and phone number?
- What type of fraud (against employees or employer?)
- What are they doing that you believe constitutes fraud?
- When did the fraud occur and is it still happening?

Submit the information on-line at [michigan.gov/uia](https://michigan.gov/uia).

Click the Report Fraud link. You may remain anonymous, or submit your name, address and telephone number.



DETECT | PREVENT  
**FRAUD**