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GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC  
OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

**MEMORANDUM**

**DATE:** February 12, 2026

**TO:** The Honorable Mary Cavanagh, Chair,  
Senate Appropriations Subcommittee on LEO/MEDC

The Honorable Nancy Jenkins-Arno, Chair  
House Appropriations Subcommittee on Labor and Economic Opportunity

Kathryn Summers, Director, Senate Fiscal Agency

Mary Ann Cleary, Director, House Fiscal Agency

Jen Flood, State Budget Director

**FROM:** Jason Palmer, Director  
Michigan Unemployment Insurance Agency  
Department of Labor and Economic Opportunity

**SUBJECT:** Article 9, Part 2, Section 803 of 2025 PA 22  
Unemployment Insurance Agency Fraud and Noncompliance Reporting

Attached is the Unemployment Insurance Agency Fraud and Noncompliance Reporting document for the 1st quarter of fiscal year 2025/2026, prepared by the Unemployment Insurance Agency, under Article 9, Part 2, Section 803 of 2025 PA 22.

Should you have any questions regarding this report or need additional information please contact Andrew Crane, UIA Legislative Liaison, at [Cranea3@michigan.gov](mailto:Cranea3@michigan.gov) or 517-243-9778.

cc: Members – Senate Appropriations Subcommittee on LEO/MEDC  
Members – House Appropriations Subcommittee on Labor and Economic Opportunity  
Senate Policy Office  
House of Representatives Policy Office

**Unemployment Insurance Agency Fraud and Noncompliance Report**  
**Quarterly Report**  
**1<sup>st</sup> Quarter: October 1 – December 31, 2025**

Sec. 803. The Unemployment Insurance Agency shall provide a quarterly report within 45 days after the end of each quarter that includes, but is not limited to, the following:

- (a) The number of new fraudulent and noncompliant cases that have been identified or issued by the Unemployment Insurance Agency, classified by employer or claimant, during the quarter.

**Employers:** 0 fraudulent cases; 8,068 negligence penalty cases; 4,458 non-reporting penalty cases; 14,631 wage penalty cases; 14,883 late reporting penalty cases

**Claimants:** 314 fraudulent cases

- (b) The total amount of penalties and interest issued on fraudulent and non-compliant cases during the quarter.

**Employers:** \$ 7,099,215.95

**Claimants:** \$ 16,360,414.86

- (c) The total amount of penalties and interest dollars received during the quarter by employer or claimant:

**Employers:** \$ 4,258,310.77

**Claimants:** \$ 377,977.13

- (d) The total amount of penalties and interest still owed to the state by employer or claimant:

**Employers:** \$ 7,243,064

**Claimants:** \$ 2,650,000

- (e) The number of fraudulent cases that have been appealed by an employer or claimant during the quarter.

105 Claimant fraud cases appealed, and 0 Employer Fraud cases appealed