

## Fraudulent Unemployment Claims on the Rise in Illinois.

The [Illinois Department of Employment Security \("IDES"\)](#) is [inundated](#) with reports of employed individuals receiving letters from the state approving them for unemployment benefits they never applied for. More than half a dozen CCM clients have contacted us about this situation. Businesses that haven't laid off any employees are receiving letters claiming their employees were laid off and applied for unemployment benefits.

The COVID-19 pandemic has given rise to over [212,000](#) fraudulent claims for unemployment benefits since March. Of the 212,000 fraudulent claims, 169,506 were filed with a program created through the federal coronavirus relief package that offers benefits to non-traditional employees (self-employed and gig workers). The other 42,496 fraudulent claims were filed as regular state benefits.

According to Illinois officials, the federal program was vulnerable because typical safeguards that IDES uses to identify fraudulent claims, like sending letters to employers, aren't possible with self-employed workers. IDES denies that the exponential rise in fraudulent claims has anything to do with their own security measures, and instead says it [is likely the result of past security breaches](#), like the 2017 Equifax hack which affected 5.4 million Illinois residents.

The FBI believes these claims are being submitted by cyber criminals who [impersonate their victims using stolen identities](#).

Once the benefits are approved, criminals exploit security flaws in the IDES system to seize recipient accounts and request the money be sent to their own accounts.

### Takeaways

If your business receives unemployment claims for employees who are still employed, protest the claims using the normal IDES procedures. Also, be sure to notify the employee whose name was used so that employee can ensure that their identity is safe.

Both the federal government through the [Federal Trade Commission](#) and the [Illinois Attorney General](#) have helpful information for anyone who suspects that their identity has been stolen.

While victims of identity theft are not liable for unemployment benefits paid in their name, it is crucial they [report](#) the theft as soon as they are made aware of the fraud. Failure to do so could result in possible [tax repercussions](#). As always, we are available to assist if these measures do not fix the problem.

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