

FOR IMMEDIATE RELEASE
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New Unemployment Fraud Penalties to Begin in October

COLUMBUS, OHIO – Starting on Oct. 21, new penalties will take effect for unemployment claimants who commit fraud and for employers whose inaction leads to benefits being paid in error.

Already, claimants who commit fraud are required to repay amounts they weren't entitled to and forgo benefits for a period of time. In the most egregious cases, claimants may face criminal charges. Now, because of a new law passed in June, they also will be fined 25 percent of the total amount collected fraudulently.

"Ohio wants to send a clear message to claimants who are considering fraud: Don't do it," said Michael Colbert, director of the Ohio Department of Job and Family Services (ODJFS). "We have state-of-the-art fraud detection tools, and we will catch you. When we do, the penalties are substantial."

In addition, the law requires ODJFS to charge employers who repeatedly fail to respond to requests for information about an unemployment compensation claimant.

To be eligible for unemployment compensation, individuals must have lost their jobs through no fault of their own. When they apply for unemployment compensation, ODJFS checks with their former employers to determine the reason for their unemployment. If employers fail to provide necessary information by the deadline, benefits may be incorrectly awarded. Under the new law, employers who repeatedly fail to provide needed information on time may face higher taxes if benefits are paid in error.

"Employers play an important role in ensuring that benefits are paid only to those eligible for them," Colbert said. "We count on them to give us timely and accurate information."

In most cases, fraud occurs when people attempt to collect unemployment benefits while they are working or after they return to work. Fraud also can occur when people intentionally provide false information about the reasons they no longer are working, collect unemployment compensation from multiple states at the same time, or are not actively seeking work.

ODJFS fraud investigators conduct electronic cross-matching of employer new hire reports, share data with the ODJFS Office of Child Support and the Ohio Bureau of Workers' Compensation, and investigate tips and leads from concerned citizens.

Anyone who believes an individual is collecting unemployment benefits to which he or she is not entitled should call the ODJFS fraud hotline at 800-686-1555 or visit unemployment.ohio.gov/fraud.

For informational videos about Ohio's unemployment compensation program, visit youtube.com/user/OhioJFS. Employers with questions about the new law should email EmployerInquiryUCBenefits@jfs.ohio.gov or call (877) 574-0015.

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