



Unemployment Compensation: Claimant Fraud Penalty

What is the mandatory claimant fraud penalty?

Recently passed federal and state laws require mandatory penalties for unemployment compensation claimants who commit fraud. In addition to any other repayments and penalties, those committing fraud in Ohio also must pay a penalty equal to 25 percent of the benefits obtained fraudulently. The penalty applies to fraud committed during the initial application or in any subsequent weeks – for example, by providing false information on an application or by not reporting earnings.

When will this new penalty take affect?

October 21, 2013. All Ohio claimants who are found to have committed fraud in order to obtain benefits on or after this date must pay this penalty.

How will claimants be notified of the penalty?

Claimants found to have committed fraud will receive a written notice from ODJFS stating the type of fraud, the weeks in which the fraud occurred, the total amount of the overpayment, the penalty amount, the penalty weeks, repayment instructions, and information about how to appeal the determination.

Will this new penalty replace other penalties the agency imposes for fraud?

No. The 25 percent penalty is in addition to the full repayment of benefits, ineligibility for future benefits and possible criminal prosecution.

How is the new penalty amount calculated?

The penalty will be 25 percent of the amount overpaid because of fraud.

Can claimants request a waiver of the penalty?

No. Under federal and state law, the penalty is mandatory. However, claimants can appeal the fraud determination.

If a claimant pays all or part of the overpayment and the 25 percent penalty, but the fraud is reversed on appeal, what happens to the amount paid ?

If the fraud determination is reversed during an appeal, ODJFS will refund any penalties paid.

Can future benefits be offset to pay the penalty?

No. Benefits can be offset only to recover the overpayment itself, not the fraud penalty.

Unemployment Compensation: Claimant Fraud Penalty

Page 2

I recently heard of the Treasury Offset Program, which allows the state to deduct fraud overpayments from my federal income tax refund. Will this program be used to collect the penalty too?

Yes. All fraud debt is subject to Treasury Offset Program recovery. If this program is used to collect debt you owe, you will receive a notice from the Ohio Attorney General's Office. For more information, please call 1-877-607-6400.

I file for my unemployment benefits online. Where can I find the penalty amount on this website?

Claimants who file online can view the penalty in the "Claim Summary/Payment History" menu option or the "Overpayment Repayment Summary" menu option.