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ODJFS recovers \$397.5 million in unemployment benefits

Success part of ongoing work with financial institutions and law enforcement to return stolen funds

COLUMBUS — Ohio Department of Job and Family Services (ODJFS) Director Matt Damschroder announced today that nearly \$398 million in unemployment benefits have been recovered to date, thanks to the ongoing collaboration of ODJFS with financial institutions and law enforcement.

“Criminals hit Ohio and the rest of the nation hard with fraudulent claims, taking taxpayer dollars and slowing efforts to get money to those in need,” Damschroder said. “The recovery of these funds is proof that Ohio continues to collect taxpayer dollars and pursue every avenue to give victims of identity theft justice.”

To recover funds from financial institutions, ODJFS shares data with them regarding potentially fraudulent transactions. The institutions also conduct their own investigations, rely on their own internal safeguards, and return funds flagged as suspicious. The funds returned to date include \$69.7 million from PayPal and \$41.3 million from 32 other banks. Additionally, ODJFS has recovered from banks and other financial institutions payments totaling \$238.5 million that were prevented from being distributed by safeguards in the Automated Clearing House (ACH) network. ODJFS also has recovered an additional \$30.2 million as a result of federal law enforcement seizures and an additional \$17.8 million through voluntary repayments, offsets, and returns from other states.

To combat the unemployment fraud sweeping the nation, in early 2021, Ohio created the Public Private Partnership team, which was comprised of financial services professionals from companies across Ohio. With their assistance, ODJFS instituted a series of anti-fraud measures, such as identity verification, multi-factor authentication, and a variety of other safeguards.

“The new reality is that we are in a constant battle with criminals trying to scam the system and interfere with Ohioans in legitimate need of assistance,” Damschroder said. “But the suite of anti-fraud measures we’ve put in place has greatly aided our efforts to safeguard unemployment funds, and what we’ve learned is resulting in permanent improvements in Ohio’s unemployment system.”

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The Ohio Department of Job and Family Services manages vital programs that strengthen Ohio families. These include job training and employment services, unemployment insurance, cash and food assistance, child care, child and adult protective services, adoption, and child support services.

