

Unemployment fraud scheme: What you need to know ^[1]

December 17, 2020 by [Employee and Information Services](#) ^[2]

The Colorado Department of Labor and Employment (CDLE) has seen a rise in fraudulent unemployment claims attempting to exploit the overall increase in unemployment insurance claims associated with COVID-19. As many as 400,000 Coloradans have been affected.

This nationwide fraud scheme involves unemployment claims filed using another person's identity. Get a glimpse of the magnitude and seriousness in [this Jan. 14 article from the Colorado Sun](#) ^[3].

Many Colorado fraud victims are alerted to the scheme by receiving a U.S. Bank ReliaCard in the mail when they have not filed for unemployment. In a Jan. 14 update, the CDLE reported that fraud victims are receiving IRS 1099-G Forms for unemployment benefits they did not receive. The CDLE should be notified of the fraud, and the department will issue corrected amended tax forms.

Anyone who has received erroneous 1099-G Forms, debit cards or pin numbers for unemployment benefits they did not request should immediately contact CDLE. See below for instructions.

Suspect someone is using your identity to collect unemployment benefits? Here's what to do.

If you received unemployment paperwork but did not file a claim, or otherwise believe you are a victim of identity theft related to unemployment benefits, please **submit a fraud report**.

1. Go to the [Colorado Department of Labor's Fraud Prevention webpage](#) ^[4].
2. Click on **You received unemployment paperwork or a debit card without a claim** to view more information, resources and steps to take.
3. Click the "submit a fraud report" link in the first paragraph or click on the square blue "Submit a fraud report" button near the top right of the Fraud Prevention webpage.

The CDLE website provides additional recommended steps to take to address ID theft related to this scam.

1. If you received a U.S. Bank ReliaCard for Colorado unemployment benefits but did not file a claim, deactivate the card immediately by completing the online form on the CDLE's website and emailing it to U.S. Bank, or by calling U.S. Bank 1-855-279-1678.
2. **File a police report** with the **municipal** police department where you reside, using their

online filing resources or non-emergency numbers. A police report is needed to support the fraud claim, so don't skip this step.

3. Contact the three consumer credit bureaus and put a fraud alert on your name and Social Security number (SSN). It may be an automated system, so you may not talk to a live person and you will have to enter your SSN and date of birth.
 - o Equifax: 1-800-525-6285
 - o Experian: 1-888-397-3742
 - o TransUnion: 1-800-680-7289
4. Regularly review your credit reports from each of the three credit bureaus – each will look different and may contain different information. If you discover any incorrect or fraudulent information on a report, dispute it with that credit bureau. Normally, you can receive one free copy of your credit report each year from each credit bureau. Due to increased fraud during the COVID-19 pandemic, each of the three credit bureaus is offering free weekly credit reports via annualcreditreport.com [5].
5. You can also report identity theft to the Federal Trade Commission at identitytheft.gov [6]. The FTC's website includes valuable resources about how to recover from identity theft and protect your identity.
6. Create a file where you can keep any records relating to this instance of [identity theft](#) [7] in one central place, in case you are notified of other fraud or breaches of your personal information.

For more information regarding unemployment fraud prevention, please visit the [Colorado Department of Labor and Employment website](#) [8].

Were you sent a 1099-G? Here's what to do.

1. Go to the [CDLE's Tax Form 1099-G webpage](#) [9].
2. Follow instructions under the **Identity Theft** section to report an invalid 1099 form, as well as measures to protect your credit and file a police report. A police report is needed to support the fraud claim, so don't skip this step.

Protect yourself from identity theft with a fraud alert

CU faculty, staff and students can take a proactive approach to protect themselves from identity theft by setting up a fraud alert. You can do this whether someone has misused your personal information or even if you're concerned about identity theft but haven't yet become a victim. An alert can make it harder for an identity thief to open accounts in your name.

You must request a fraud alert from one of the three nationwide credit bureaus. The credit bureau you contact must to put the alert on your credit report and tell the other two credit bureaus to do the same. There is no cost, and the alert will last one year.

Visit the [Federal Trade Commission website](#) [10] for information and instructions to set up an alert.

Fraudulent claims are widespread, are not specific to the University of Colorado, and are not connected to a breach or compromise of University of Colorado systems. The information being used by the crime's perpetrators likely came from a large data breach sometime in the

last 10 years. The CDLE suspects the scheme's perpetrators are not stealing mail but instead working to get PIN numbers the state uses to pay out benefits.

As part of Jan. 8 U.S. Department of Labor guidance, CDLE will implement ID.me to meet federal identification requirements in the next few days. All new claimants will be required to use it to verify their identities before applying for benefits.

Tip: Never give out personally identifiable information over the phone. The Colorado Department of Labor and Employment will never contact you and ask for your Social Security number (SSN), bank account numbers, your PIN, account passwords, or any other personally identifiable information.

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