



FOR IMMEDIATE RELEASE

DES Issues Fraud Alert to Arizona Consumers, Announces Law Enforcement Task Force to Combat Criminal Activity

PHOENIX – (October 2, 2020) The Arizona Department of Economic Security (DES) is warning consumers of a new fraud scheme targeting unemployment benefits and today announced a new joint task force with law enforcement to combat high levels of unemployment fraud. These are the latest steps in DES’s aggressive approach to preventing fraud and protecting taxpayer dollars while ensuring Arizonans in need can access benefits.

Arizona and states across the nation continue to see an extraordinary number of claims filed as a result of identity theft. In this current phase of fraudulent activity, criminals are taking advantage of the federal program by inputting randomly selected, in-state addresses to bypass fraud identifiers.

Since March, DES has issued over \$11.4 billion in assistance to 1.6 million claimants. At the same time the Department has worked to safeguard taxpayer dollars and ensure only eligible claimants receive assistance.

DES has become aware that some Arizona residents are receiving notices and benefit cards at their address with the names of individuals who do not reside at that location. In most instances, payment was blocked due to fraud prevention measures implemented by DES and there are no funds loaded on the cards. The Department has received over 660,000 PUA claims in the last two weeks alone, indicating a high number of fraudulent claims being filed. DES is close to implementing a robust front-end identity check to prevent fraud while making it faster and easier for legitimate applicants to claim their benefits.

Steps DES is Taking to Combat Fraud

The Department has been working closely with data analytics companies, financial institutions, and state and federal partners to review claims and identify those eligible for benefits, as well as those with a high probability of fraud. This involves identifying patterns and trends among claim data and claimant behavior and cross-matching information to ferret out criminal activity. To build upon these efforts, the DES Office of the Inspector General (OIG) has launched a task force comprised of federal, state, and local agencies, including the Arizona Department of Public Safety, the Maricopa County Sheriff’s Office, the Arizona Attorney General’s Office and other law enforcement agencies to investigate large-scale, organized unemployment insurance fraud in Arizona. This task force formalizes an existing, ongoing partnership with law enforcement agencies at all levels investigating unemployment fraud during the COVID-19 pandemic. The task force will focus on criminal activity within Arizona, and DES will continue to work with the FBI and Secret Service in combating fraud on a national level.

The task force will identify suspects and co-conspirators perpetrating fraud schemes, investigate the network of criminals behind the fraudulent claims and work to prosecute these criminals. The formation of the task force will combine a wide array of resources and law enforcement experience to combat the increase in illegal activity.

What to Do When You Suspect Unemployment Fraud

Individuals who receive notices and benefit cards from DES but did not apply for benefits are instructed to report this online at bit.ly/ReportAZUIFraud or by calling 1 (800) 251-2436. The webform is available in English and Spanish. When reporting fraud, individuals should provide identifying information in the web form that will help locate the claim in our systems. This includes full name (as it appears on the documents received from the UI program), mailing address where the documents were received, and SSN (when documents are received in the individual's name). Individuals are advised to destroy cards they erroneously received. Once DES is able to locate the fraudulent claim, we can take appropriate action and do not need the card returned.

Individuals who receive notification of unemployment assistance benefits *in their name* for which they did not apply may be the victim of identity theft for those who seek to obtain fraudulent benefits. If an individual believes they were the victim of identity theft, they should report it to DES online at bit.ly/ReportAZUIFraud or by calling 1 (800) 251-2436. We also encourage them to go to the Federal Trade Commission (FTC) identity theft website, identitytheft.gov, to report and protect themselves from further victimization. They are also advised to monitor their credit report for any other fraudulent activity that may come as a result of identity theft. Individuals can learn more about protecting themselves from Unemployment Insurance Fraud in this [Unemployment Insurance Consumer Protection Guide](#) issued by the U.S. Department of Justice National Unemployment Insurance Fraud Task Force.

More information regarding unemployment fraud can be found [here](#). To report fraud, file a report [online](#) or call the DES Fraud Hotline at 1 (800) 251-2436. The webform is available in English and Spanish. After reporting fraud to DES, file a report with local law enforcement.

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