

# DWD: Releases 2021 unemployment insurance fraud report

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MADISON - The Department of Workforce Development (DWD) today released its 2021 Unemployment Insurance Fraud Report covering the agency's efforts to prevent fraudulent activity through technical upgrades, deterrence and education.

This past year was unprecedented, both in terms of the number of claims filed and the sophisticated, coordinated attempts of criminals to target Wisconsin's unemployment insurance system. States across the country faced an onslaught of scams and fraud, often perpetrated by international crime rings. Much of DWD's fraud prevention work in 2020 was focused on preventing criminals from using stolen information to access the claims system and on protecting the identities of people who filed legitimate claims.

"Some states were forced to temporarily suspend all benefit payments because their systems had become overrun with fraudulent activity," DWD Secretary Amy Pechacek said. "While Wisconsin has not experienced a level of activity requiring such drastic measures, the battle against scams and fraud continues to be a focus, and we have committed many resources to this effort."

In 2020, DWD issued over \$4.8 billion in total unemployment insurance payments, with 0.1 percent determined to be the result of fraudulent activity. Since the start of the pandemic, there have been more than 5,300 holds placed on suspicious accounts to prevent them from paying benefits before a completed investigation. This is far higher than a typical year—from 2016 through 2019, DWD had 388 account holds per year on average. DWD's fraud safeguards have prevented more than \$61 million in fraudulent overpayments. However, the department has identified thousands of suspected fraudulently filed claims since the start of the pandemic.

The 2020 Unemployment Insurance Fraud Report includes information on the many tools the department uses to combat fraud in the unemployment insurance system as well as fiscal data for claims paid due to fraudulent claims. Read the full report here: <https://dwd.wisconsin.gov/dwd/publications/ui/ucd-17392-p.pdf>.