

# UI Fraud Costs Everyone

*UI Fraud is a crime, and it affects everyone. It drives up unemployment taxes for businesses, it affects people with legitimate jobless claims, and it puts a strain on the state's unemployment trust fund. And the person committing fraud faces criminal prosecution, fines and penalties of up to four times the amount.*

*Help the UIA stop fraud by knowing how it happens and how to report it. Reporting fraud can save millions in tax dollars and ensure that unemployment benefits are available for those who need them most.*

## TYPES OF FRAUD

### Claimant Fraud

- Working full time while collecting benefits and not reporting hours of work and earnings to MARVIN
- Supplying intentionally misleading information or failing to disclose information such as vacation/holiday pay, severance pay, or other pay after job separation
- Providing false information about work search efforts
- Failing to report being unable and unavailable to work (ill or injured, on vacation) while continuing to collect UI benefits
- Using another person's identity (name or social security number) to work and/or file a UI claim
- Failing to report refusals of work
- Providing false information about reason for separation

### Employer Fraud

Individuals or businesses that deal in cash only or use other schemes to hide their activities and their true tax liability such as:

- Providing false information to prevent an otherwise eligible claimant from obtaining benefits
- Paying employees "under the table" to avoid paying taxes
- Incorrectly reporting wages
- Intentionally misclassifying employees as independent contractors

## HOW TO REPORT FRAUD

If you think someone is committing unemployment benefit or payroll tax fraud, please report it immediately. All allegations are taken seriously. Please include as much information as you can such as:

Who is committing fraud?

What is their address and phone number?

What type of fraud (against employees or employer?)

What are they doing that you believe constitutes fraud?

When did the fraud occur and is it still happening?

*You may remain anonymous, or provide your name, address and telephone number.*

*Submit the information on line with the UIA 2-minute Fraud Reporting Form at [Michigan.gov/uia](http://Michigan.gov/uia), or call the fraud hotline at 1-855-UI-CRIME (842-7463).*

