

CUSTOMIZING THIS GUIDE

Preventing & Reporting UI Fraud

- The following Guide is ready to be modified for use by your agency.
- Read through all the text and look for brackets – this is where you insert your agency information.
- If your state uses a different term for unemployment insurance, such as unemployment compensation or reemployment services, please customize the guide to fit your state’s vocabulary.
- Consider saving the document as a PDF for distribution.
- For assistance in customizing the Guide, contact UISIDES@naswa.org.

PREVENTING & REPORTING UI FRAUD

What is Employer Unemployment Insurance (UI) Fraud?

When an employer knowingly provides false information or withholds facts to avoid or reduce UI contribution liability.

UI FRAUD IS A CRIME!

For more information about UI fraud, visit [\[INSERT STATE URL\]](#).

Examples of Employer UI Fraud

- Deliberately reporting incorrect or zero wages.
- Intentionally misclassifying employees as independent contractors.
- Paying workers off-the-books or under-the-table wages to avoid paying UI taxes.
- Manipulating payrolls by shifting workers between employer accounts to improperly use a lower contribution tax rate. This is called State Unemployment Tax Act (SUTA) dumping.
- Knowingly providing false information regarding a worker’s separation from employment or failing to respond to a claim notice that a worker has filed a UI claim while still working for you.

Consequences of UI Fraud

UI fraud is a serious offense that can carry severe penalties.

For example, it may result in:

- Fines, fees, and a court-ordered operating suspension against your business.
- The fraudulent behavior being shared between state and federal agencies.
- Prosecution or even jail.

Ways to Avoid UI Fraud

- Report the reason for employee separation quickly and accurately.
- Report new hires within 20 days and re-hires if 60 days have passed from their first day of employment [\[INSERT URL FOR REPORTING NEW HIRES\]](#).
- Respond promptly to all information requests.
- File quarterly UI Tax and Wage reports and pay UI taxes timely.
- Attend appeal hearings.

Help Stop UI Fraud!

STOP

If you know or suspect a business or individual is committing UI fraud, please contact us!

[\[INSERT URL or EMAIL ADDRESS HERE\]](#)

Call the UI Fraud Hotline: [\[INSERT PHONE # HERE\]](#)

See your state’s UI Employer portal [\[INSERT STATE URL\]](#) or the State Information Data Exchange System (SIDES), naswa.org/services/sides for more information about reporting and responding electronically.

[REMOVE THIS TEXT AND PLACE AGENCY LOGO HERE.]

Modify Slide 2 for your agency.

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