

Prevent Fraud : Information for Employers

The D.C. Department of Employment Services (DOES) is the only source of information and support for any unemployment claim in the District of Columbia.

OVERPAYMENTS

If claimants are determined to have received benefits to which they are not entitled, they will receive a written notice that explains the amount overpaid and the reason for the overpayment. Some of the most common reasons for overpayments are the following:

- Failure to report earnings;
- Incorrectly reporting earnings (e.g., reporting net earnings instead of gross earnings);
- Failure to report pensions;
- A decision by an Appeals Examiner or the Office of Administrative Hearings which overturns an earlier ruling that claimants were entitled to benefits;
- Continuing to file for benefits after returning to full-time work; or
- Back-pay awards: If claimants have been restored to work with back pay, they are overpaid for the weeks for which they received UI benefits. If an employer makes a back-pay award to a claimant who has received benefits during the same period covered by the back-pay award, the employer is required by law to withhold from the back-pay award an amount equal to the benefits paid. For benefits received or payment information, contact the UI Benefit Payment Control Unit at (202) 698-5111.

REPAYMENT OF OVERPAYMENTS

Claimants who are overpaid are liable for full repayment to the state. Repayment may be made either in a lump sum or in agreed upon installments. Future unemployment benefits due may also be withheld to satisfy outstanding overpayments. If repayment is not made, legal action will be taken to collect the overpayment.

PENALTY FOR FRAUD

As federally mandated by the U.S. Department of Labor, effective October 1, 2014, all unemployment compensation payments made on or after October 21, 2013, that were determined by the Agency to be fraudulent will be assessed a monetary penalty of 15%. This 15% penalty is to be paid in addition to the actual amount of the fraudulent overpayment. If claimants knowingly make false statements, falsify work search contacts, or withhold important facts to obtain or increase benefits, they may be disqualified for up to one year beyond their benefit year ending date. They are also subject to civil or criminal prosecution and possible incarceration.

Important Notice to Employers: As of October 21, 2013, federal law forbids the relief of employer charges in instances where employers demonstrate an established pattern of being non-responsive to requests for separation and wage information.

The relief of non-charges also extends to employers who fail to file their quarterly reports timely. As such, the District will not provide relief to an employer's UI account for UI overpayments if it is determined the overpayment resulted from the employer being unresponsive to requests for separation and wage requests or failed to furnish quarterly wage reports in a timely manner. The District has determined that two separate unsuccessful attempts to receive information from an employer will result in the prohibition of relief of charges.

TAX WITHHOLDING

UI benefits are subject to both federal and District income taxes. Claimants can choose how deductions are made from UI benefits and claimants are sent a Form 1099 at year end. To learn more, please view: [Unemployment Insurance Program Letter 02-12](#) and [Unemployment Insurance Program Letter 02-12, Change 1](#).

DETECTION OF IMPROPER PAYMENTS

DOES employs many techniques to detect claimants who may be receiving or who have received benefits to which they are not entitled. These include:

- A random audit of claims by the Benefit Accuracy Measurement Unit;
- A computerized cross match of wages reported by employers with unemployment benefits paid for the same weeks;
- An investigation of information received from employers;
- Computerized cross matches of wages reported by employers in neighboring states, such as Maryland and Virginia;
- Computerized cross matches of new hire information.

ROLE OF EMPLOYERS IN DETECTING IMPROPER UI BENEFIT PAYMENT

Every quarter, employers receive a summary of all charges to their accounts. Employers should carefully review these quarterly charge statements to see if there are individuals listed as receiving UI benefits who returned to work during the quarter in question.

In some cases, a claimant may have been on an employer's payroll and properly received unemployment benefits for the same quarter. Employers who suspect that a claimant may have received improper benefits should contact the Office of Unemployment Compensation - Benefit Payment Control Unit at (202) 698-5111.

Employers may also help to detect improper benefit payments by cooperating with requests for information received from DOES about detailed weekly earnings for claimants suspected of being improperly paid. For more information, please read: [D.C. Department of Employment Services: Unemployment Insurance Handbook for Employers](#).