

# Texas Workforce Press Release

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**FOR IMMEDIATE RELEASE**

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## **TWC Recovers \$10.5 Million in Unemployment Insurance Fraud in 2014**

*\$3.1 million collected through prosecutions efforts including nine Austin area individuals*

AUSTIN – The Texas Workforce Commission (TWC) recovered a total of more than \$10.5 million in fraudulent Unemployment Insurance (UI) benefit claims during calendar year 2014 (CY2014) through its collection efforts combined with the [State Comptroller's warrant hold process](#) and offsets to current UI benefit claims.

Of that total, TWC recovered nearly \$3.1 million in fraudulently obtained UI benefits in CY2014 through TWC's Fraud Prosecutions Unit. TWC investigates, and refers to local district attorney offices, cases in which UI benefits are obtained through fraud or deception. Recovered funds will be returned to the Unemployment Compensation Trust Fund from which TWC pays unemployment benefits to individuals who have lost their job through no fault of their own.

Nine Austin area individuals from Travis and Williamson counties were prosecuted for state UI fraud in 2014 and were ordered to pay a total of \$58,300 in restitution. In addition to restitution orders, individuals who commit UI fraud can be ordered to pay fines, perform hours of community service and some serve jail time. For a list of recent criminal dispositions listed by county, go to [www.texasworkforce.org/ui/bnfts/prosecutiondispo.html](http://www.texasworkforce.org/ui/bnfts/prosecutiondispo.html).

“The Texas Workforce Commission is committed to preventing abuse of the UI program and prosecuting individuals who engage in fraud,” said TWC Chairman Andres Alcantar. “Preserving the UI Trust Fund for the employers and workers of Texas is a top priority.”

Debt to the state does not go away unless it is paid. The Texas Constitution prohibits forgiving such debt, and TWC continues to pursue and collect fraud, and overpayments obtained through fraud along with all other types of overpayments indefinitely. Examples of fraud include providing false information, failing to report all work and earnings when filing claim certifications for payment of benefits, and under-reporting earnings on claim certifications.

In addition, a claimant receiving fraudulently obtained UI benefits will pay a 15 percent penalty on top of the fraudulently obtained amount. TWC regularly cross matches UI claims with employer wage reports and other databases to detect possible UI fraud. If TWC discovers that claimants have received UI benefits through fraudulent applications, the agency pursues immediate reimbursement of overpayments.

“The Texas Workforce Commission is steadfast in its efforts to prevent UI fraud,” said TWC Commissioner Representing Labor Ronny Congleton. “We will continue to work with employers and the State Comptroller's office to detect any fraudulent activity.”

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“Through the hard work of the Regulatory Integrity Division at TWC, we are able to deter fraud and provide the employers and workers of Texas with the services they need,” said TWC Commissioner Representing Employers Hope Andrade.

TWC’s Regulatory Integrity Division is charged with detecting and preventing fraud, waste and abuse of the unemployment benefits system. A UI claimant may be committing fraud if they:

- Start work and do not accurately report work and work hours when requesting a benefit payment
- Do not accurately report gross earnings (before taxes or deductions) when requesting a benefit payment
- Do not report a job separation (for example, fired, quit, laid off) that occurred while receiving unemployment benefits, intentionally give false information or withhold relevant information
- Use another person’s identity to apply for benefits

TWC enforces all regulatory statutes within its jurisdiction, including UI Tax, Workforce Programs, Trade Act, Skills Development, Self-Sufficiency, Child Care, Payday Act, and all other agency-administered programs. Prevention, detection and elimination of fraud, waste and abuse in the UI program are top priorities at TWC, ensuring that funds are available exclusively to those who meet the eligibility requirements.

To report suspected UI fraud, call the TWC Fraud and Program Abuse Hotline at 800-252-3642.

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*The Texas Workforce Commission is a state agency dedicated to helping Texas employers, workers and communities prosper economically. For details on TWC and the programs it offers in coordination with its network of local workforce development boards, call 512-463-8942 or visit [www.texasworkforce.org](http://www.texasworkforce.org).*