



# U.S. Department of Justice National Unemployment Insurance Fraud Task Force

## Issuance of Erroneous Forms 1099-G due to Fraudulent Unemployment Insurance Claims

Public Distribution

February 26, 2021

The Department of Justice’s National Unemployment Insurance Fraud Task Force (NUIFTF) is investigating numerous fraud schemes targeting state workforce agency’s (SWAs) unemployment insurance (UI) programs across the United States. Fraudsters, some of which are transnational criminal organizations, have used stolen identities to file fraudulent claims for UI benefits, exploiting the benefits provided in response to economic disruption caused by the COVID-19 pandemic.

The NUIFTF is issuing this alert to warn the public and SWAs about the issuance of erroneous Forms 1099-G, Certain Government Payments, by SWAs as a result of this fraud. Since UI benefits are taxable income, SWAs issue Forms 1099-G to recipients and to the Internal Revenue Service (IRS) to report the amount of taxable unemployment compensation received and any withholding. Due to widespread fraud, much of it involving identity theft, Americans may receive a Form 1099-G indicating they have collected UI benefits when they have not done so. In other instances, Americans may not receive a Form 1099-G, but later learn from the IRS or another party that their identity was used to file for UI benefits unbeknownst to them.

The NUIFTF has worked collaboratively with the U.S. Department of Labor, Federal Trade Commission, and IRS to put together the resources contained in the links below. SWAs are encouraged to review these resources and release consistent external messaging. Potential victims should review the information contained in the links and take any necessary actions they deem appropriate.

U.S. Department of Labor – ETA	<a href="https://www.dol.gov/agencies/eta/unemployment-insurance-payment-accuracy/report-unemployment-insurance-fraud">https://www.dol.gov/agencies/eta/unemployment-insurance-payment-accuracy/report-unemployment-insurance-fraud</a>
Internal Revenue Service	<a href="https://www.irs.gov/identity-theft-fraud-scams/identity-theft-and-unemployment-benefits">https://www.irs.gov/identity-theft-fraud-scams/identity-theft-and-unemployment-benefits</a>
Federal Trade Commission	<a href="http://www.IdentityTheft.gov/unemploymentinsurance">www.IdentityTheft.gov/unemploymentinsurance</a>

Individuals with information about UI fraud should call (202) 693-6999 or (800) 347-3756, or go to <https://www.oig.dol.gov/hotline.htm>