

Identity Theft: New Scam Targets Unemployment Insurance

Written by Kathleen Vinehout, State Senator 31st District
Monday, 21 July 2014 16:38

<http://newiproggressive.com/images/stories/S5/identity-theft3-s5.jpg>



This week Sen. Vinehout writes about a local woman who was a victim of identity theft when thieves used her personal information to file a fraudulent Unemployment Insurance claim. In what appears to be a multi-state problem, she notes the Joint Legislative Audit committee recently approved an audit of the UI claims process, shares information about what to do if you are a victim and how to protect your identity from being stolen.

EAU CLAIRE - A woman was the victim of an unemployment insurance scam. "What are you going to do to help me?" she challenged legislators and candidates at a recent forum in Eau Claire. "What are you going to do to prevent this from happening again?"

The scam she described was new to incumbent and want-to-be lawmakers.

A thief stole her identity and falsely filed an unemployment insurance claim. The scam happened the beginning of July, perhaps over the 4th of July holiday weekend. The scam may be part of a nationwide swindle targeting consumers, employers and state unemployment insurance programs.

The thief collected money from the state before the woman or her employer knew a false claim was filed. How the thief got her personal information is not yet known. However, the woman's identity was a part of the personal information compromised through Target stores.

She filed a police report and a report with the Federal Trade Commission (FTC). She contacted her banks and the state agency responsible for unemployment insurance. But this was not nearly enough to stop the scam from happening again.

On her behalf I contacted the Department of Agriculture and Consumer Protection (DATCP) and the state auditor. DATCP officials actively pursue fraud investigations and work on identity theft

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through the Office of Privacy Protection.

I learned DATCP officials were already working with the unemployment insurance agency's Program Integrity unit to investigate the scam. The federal government was also involved in the investigation. Many similar cases have been reported in Wisconsin and the Eau Claire case was part of a multi-state investigation.

Early this year the Legislative Audit Committee, on which I serve as ranking minority member, approved an investigation of unemployment insurance claims processing. The nonpartisan Legislative Audit Bureau already began investigating delayed and improper unemployment insurance claims and was ardent to consider the new scam in their scrutiny of the state agencies' activities.

Using someone's personal information is not only unemployment insurance fraud it is considered identity theft.

Identity theft is the fastest growing crime in America. The Office of Privacy Protection's website states more than 11 million people are victims of identity theft. CNN reports that every two seconds another American becomes the victim of identity fraud.

The National Institute of Justice warns few persons are aware of the complexities of the many issues involved with this crime, which is really a large set of fraudulent activities ranging in size from minor swindles to major crimes using stolen identities.

I learned people might not even be aware they are victims of identity theft. Some telltale signs, compiled by the Federal Trade Commission (FTC), include bills that don't arrive on time, collection notices for services you never received, email or mail about accounts in your child's name, mistakes on your bank, credit card or medical insurance statements.

Officials at the Office of Privacy Protection told my office the current unemployment insurance scam is limited to false unemployment insurance claims but thieves could expand their fraudulent activity using the stolen information. People should learn what to do if they are

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victims of identity theft and protect themselves from having their identity stolen.

How to protect yourself and your family? Order a free credit report once a year. You can do this at <https://www.annualcreditreport.com/index.action> . Read your bank, credit card and medical insurance statements. Investigate any mistakes. Protect your identity online. Don't give out personal information over the phone and shred personal information before taking out the trash.

A victim of identity theft should file an identity theft report- this includes a report to the FTC, the local police and the Office of Privacy Protection. Victims should notify one of the credit reporting companies and ask for a fraud alert. Identity theft victims should also order and review a credit report from each credit reporting company.

Find out more about how to protect your identity from the Federal Trade Commission at <http://www.consumer.ftc.gov/sites/default/files/articles/pdf/pdf-0014-identity-theft.pdf> or the Federal Bureau of Investigation at http://www.fbi.gov/about-us/investigate/cyber/identity_theft

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To file a complaint with the Office of Privacy Protection contact their hotline 1-800-422-7128 or DATCPWisconsinPrivacy@wisconsin.gov. To file a complaint with the Legislative Audit Bureau's Waste Fraud and Mismanagement Hotline contact 1-877-FRAUD-17 (1-877-372-8317) or www.legis.wisconsin.gov/lab/Hotline .

Make comments on the Senator's [BLOG HERE](#) .