GOV. MALLOY: STATE RECEIVES $1.6 MILLION TO FURTHER IMPROVE UNEMPLOYMENT INSURANCE PROGRAM INTEGRITY

(HARTFORD, CT) – Governor Dannel P. Malloy today announced that Connecticut has been awarded $1,677,909 to implement additional integrity improvements to its Unemployment Insurance program. The award will help the state to further upgrade and enhance its unemployment insurance program by funding new technologies that will help ensure payments are given only to those who are eligible to receive them.

“This funding will allow the Labor Department to continue its outstanding work in preventing and recovering ineligible unemployment payments,” said Governor Malloy. “We are pleased to have Connecticut recognized for its success in fighting unemployment insurance fraud and look forward to strengthening our efforts to further deter fraud.”

To qualify for the grant, Connecticut was required to show it had already implemented a variety of integrity measures and programs. These existing programs include a successful Unemployment Fraud Prosecution unit, the National Directory of New Hire cross-matching strategy, and a State Information Data Exchange System (SIDES) Monetary and Potential Employer Charges Data Exchange.

Funding will help continue the Unemployment Fraud Prosecution unit, a partnership combining the resources of CTDOL and Office of the Chief State’s Attorney. This partnership resulted in the arrest of over 70 individuals who were then prosecuted for collecting UI benefits to which they were not entitled. Since June 2013, the partnership has recovered more than $500,000 in overpaid UI benefits from these individuals. The grant will also further automate the SIDES program which retrieves verification information from employers, and will enhance the cross-matching prevention program which utilizes new hire and rehire information reported by employers to deter unemployment overpayments. The program currently prevents over $5 million in improper payments each year.

According to the Labor Department, all recouped payments are returned to Connecticut’s Unemployment Fund, which directly benefits employers paying into the fund and ultimately helps to ensure a healthier economy for all Connecticut residents.