



“Chasing Cheaters” Partnership Results in Over 50 Arrests To Combat Unemployment Insurance Fraud

WETHERSFIELD – May 29, 2014 – As a result of a successful partnership between the Connecticut Department of Labor (CTDOL) and the Division of Criminal Justice, the state’s “Chasing Cheaters” campaign has resulted in more than 50 arrests of individuals charged with illegally collecting more than \$2 million in Unemployment Insurance (UI) benefits.

“Those who knowingly cheated the state’s unemployment system found out the hard way that fraud will not be tolerated,” said Labor Commissioner Sharon M. Palmer. “Despite repeated requests for repayment and options to set up reasonable payment plans, these individuals refused to make restitution for what amounts to theft. Ultimately, their actions have hurt employers, the taxpayers of Connecticut, and the state’s overall economic health.”

The initiative, which has been in place for less than a year, has already recouped \$415,000 that has been returned to the state’s Unemployment Trust Fund. Additional repayments are expected to be made as part of court-ordered restitution. The failure to make payments can result in a violation of probation and subject the person to further prosecution and a potential prison sentence. A number of the arrested individuals have also been charged with Identity Theft for using a Social Security number not assigned to them to fraudulently collect benefits.

“We are dealing with the intentional theft of tax dollars that have been allocated to benefit those in need. This is not about someone making a mistake,” said Chief State’s Attorney Kevin T. Kane. “While one of our goals is to obtain restitution, offenders can also face prison sentences.”

“Nationally, Connecticut has one of the best performance records when it comes to minimizing fraud,” Palmer added, “however, it is important to the integrity of the program and to the employers who pay into the Unemployment Trust Fund to ensure benefits are only provided to those who are eligible to receive them.”

Through encouragement from the U.S. Department of Labor (USDOL) – Office of Inspector General (OIG), CTDOL created a partnership within the Department of Criminal Justice to prosecute UI fraud. USDOL-OIG Director Tony Dixon, Deputy Director Anne Thomas, and Agent Vince Gilbey provided support and guidance to attack UI fraud in Connecticut, which the OIG does on a national level.

To put more teeth into fighting Unemployment Compensation fraud, the Labor Department’s partnership with the Division of Criminal Justice resulted in a new unit to investigate substantiated fraud

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tips and cases. Using funds provided by the Labor Department for integrity initiatives, the Unemployment Compensation Fraud Unit was established in the Office of the Chief State’s Attorney. Two inspectors and a prosecutor work with CTDOL to identify and prosecute cases of deliberate fraud, with cases compiled from public tips, integrity software, and surveillance tools.

“No one wants to see dishonest people taking advantage of an unemployment system that is there to help those residents who are trying to make ends meet while looking for a new job,” Kane added. “This partnership allows us to get the message out – those who have broken the law know that there are serious consequences to their actions.”

Palmer urged any person suspecting unemployment fraud to use the online reporting form by going to the agency’s website at www.ct.gov/dol using the search feature and entering the words “fraud prosecution program” to locate the report form.

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