

Nevada Employers–Beware: Fraudulent Unemployment Claims Are on the Rise

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In Nevada, most individuals learn about the fraudulent act when they receive notice from the Nevada Department of Employment, Training and Rehabilitation (DETR) or their employers regarding their application for benefits. At that point, the benefits have generally been paid to an account controlled by the third party who submitted the application.

The reason listed on the fraudulent application is often the same: “I was laid off due to lack of work—slowdown in business.” The application also requests the maximum amount of unemployment compensation. However, employers may want to look beyond this language or the maximum compensation request to determine whether the worker’s unemployment claim is valid or fraudulent.

If an employer receives a notice of unemployment claim from a currently employed individual, the employer may want to take immediate action and respond quickly. If the employer does not respond in a timely manner, the third party may collect the unemployment benefits.

Below are four key steps employers may want to consider to ensure they respond quickly to any fraudulent claims and assist employees whose personal information has been misappropriated.

1. *Alert your workforce.* Consider notifying employees about the scam and asking them to report fraudulent benefits to human resources (HR) or legal immediately. Consider directing the HR team to flag any claim allegedly filed by a current employee, and notifying the employee upon receipt.
2. *Report the fraud to DETR.* If possible, report the fraud online to DETR. Online reporting will likely save time and make it easier for the agency to access the fraudulent claim.
3. *File a police report.* According to Nevada Attorney General Aaron D. Ford, individuals “affected by or with information about fraudulent unemployment applications [should] file a complaint with the FBI’s Internet Crime Complaint Center and DETR.” Employers can also notify local law enforcement as a “courtesy.” Employers should consider requesting a copy of the police report for their records, which can be used to support the claim of misappropriation.
4. *Inform employees about the U.S. Federal Trade Commission’s (FTC) Identity Theft website.* At this site, individuals can report the identity theft to the FTC and get step-by-step recovery help. If a third party is using employees’ personal information, including Social Security numbers and dates of birth, the third party may be using this information in other places. The Identity Theft website will guide employees through placing a free, one-year fraud alert on their credit, obtaining credit reports, closing fraudulent accounts opened in their name (with their information), and more.

