



**JB Pritzker, Governor**  
**Kristin Richards, Acting Director**

# NEWS RELEASE

**FOR IMMEDIATE RELEASE:**

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**CONTACT:**

Rebecca Cisco | 217.524.1219  
[rebecca.cisco@illinois.gov](mailto:rebecca.cisco@illinois.gov)

## **IDES Investigating New Fraud Scheme**

*Department Immediately Taking Steps to Prevent Nationwide Scheme from Continuing to Occur, Notifying Victims*

**SPRINGFIELD** – The Illinois Department of Employment Security (IDES) has confirmed that fraudsters are using a new scheme to file for unemployment compensation using personally identifying information (PII) which was seemingly obtained from a separate source (e.g. a previous cyber-attack or other identity theft) outside of the Department’s systems. An analysis found that fraudsters were applying for unemployment benefits using the PII of certain identity theft victims and including fake employer addresses in their applications. Fraud notices from IDES, containing the PII, were then sent to the addresses fraudsters claimed were employers. This is now another aggressive maneuver used by bad actors looking to defraud and disrupt states’ unemployment systems.

Across the country, bad actors are filing unemployment insurance claims in the names of identity theft victims. Fraudsters take this information and submit claims using a fake employer address, which can coincide with a residential address, or with an employer that has no connection to the victim. IDES’s anti-fraud systems are structured to detect, stop, and flag these claims as fraudulent. However, this process does generate an employer notice, informing the employer of the fraudulent claim(s) filed on an employee.

As a longstanding practice, IDES notices to employers contain PII to assist the employer in identifying which of their employees has filed for unemployment insurance benefits or which of their employees has had their identity stolen and had a fraudulent unemployment insurance claim filed in their name. IDES uncovered that employer notices have been mailed to addresses used by fraudsters when filing claims, reaching unsuspecting businesses and households whose addresses were used by fraudsters.

In response to this scheme, IDES has immediately taken steps to suppress PII on correspondence that traditionally goes out to employers. The Department will notify any victim impacted as they are reported to the Department. IDES will also work with the employer community to find new ways to report essential employer/employee activity to IDES, including encouraging enrollment in a widely used, secure reporting system. IDES refers all unemployment fraud and unemployment identity theft-related matters to the U.S. Department of Labor Office of the Inspector General and other law enforcement bodies for finding, investigating, and prosecuting bad actors.

The Department continues to encourage all employers to register in the [State Information Data Exchange System \(SIDES\)](#), which will assist in the deterrence and detection of unemployment fraud. This free electronic system allows employers to quickly and easily respond to employee notices of unemployment insurance claims and eliminates the need and lag time involved with physical mail transferring between IDES and employers.

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Individuals who inadvertently receive such notices containing PII are asked to call IDES at 800.814.0513. Please select the correct language, then:

- Press 1 for “someone who is reporting identity theft”
- Press 5 for “ID theft”
- Input your information for a callback

Callbacks are returned in a first-in, first-out basis, and due to call volume, will not occur on the day a call is placed. We appreciate all callers’ patience as IDES returns calls placed to the agency as quickly as possible.

If an individual suspects they have been a victim of fraud, please [visit the IDES website](#) and follow the instructions outlined to report fraud or identity theft to the Department.

Since the start of the pandemic, IDES has paid out roughly \$19 billion in benefit payments to eligible claimants while standing up five new federal programs. Since the spring, unemployment agencies nationwide have been fighting back fraudsters filing for unemployment benefits using stolen PII and taken steps to stand up new reporting methods for victims of identity theft.

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