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Maryland Department of Labor Uncovers Massive Criminal Fraud Scheme
47,500 Fraudulent Unemployment Claims Using Identity Theft Totaling Over \$501 Million
Alerted U.S. Attorney and U.S. Department of Labor, Office of the Inspector General
Maryland Department of Labor Assisting in Investigation of Similar Fraud Cases In States
Across the Country

BALTIMORE, MD (July 15, 2020) – The State of Maryland has uncovered a massive and sophisticated criminal enterprise involving more than 47,500 fraudulent unemployment insurance claims in Maryland and totaling over \$501 million. Maryland’s swift and decisive actions to expose this illegal scheme helped shed light on related fraudulent criminal activity in other states across the country.

The Maryland Department of Labor (Labor) is coordinating with the U.S. Attorney’s Office and the U.S. Department of Labor’s Office of Inspector General (DOL-OIG) to investigate and prosecute individuals and organized criminal rings are taking advantage of the PUA program by filing fraudulent claims by using stolen personally identifiable information.

“Since the beginning of the pandemic, our department has balanced the goal of quickly paying unemployment insurance benefits to eligible claimants with the need to maintain program integrity due to the prevalence of fraudulent activity occurring in other states,” said Maryland Department of Labor Secretary Tiffany P. Robinson. “With heightened security measures in place, our department quickly detected, reported, and blocked this fraudulent claim activity, saving taxpayers hundreds of millions of dollars. We will continue to work with our state and federal partners to prevent fraudsters from capitalizing upon the hardships caused by the coronavirus during these already difficult and uncertain times.”

U.S. Attorney Robert K. Hur stated, “My office and the entire law enforcement community are committed to bringing to justice fraudsters who are preying on citizens during this unprecedented public health crisis by using their stolen personal information to fraudulently attempt to obtain unemployment benefits. We are grateful for our partnership with the State of Maryland in stopping unemployment fraud and believe that this joint federal-state partnership will continue to bear fruit. We will continue to work together to prevent this abuse as well as continue our outreach efforts to make the public aware of COVID-19 scams and frauds. I urge citizens to remain vigilant and to report suspicious activity or fraudulent use of their personal information.”

“Today’s announcement results from our strong partnership with the U.S. Attorney’s Office and the State of Maryland, and demonstrates our joint commitment to combating fraud in the Unemployment Insurance program. The OIG will continue to work closely with our law enforcement and state workforce agency partners to aggressively pursue criminals who choose to enrich themselves without regard for taxpayers

and individuals who truly need assistance,” said Derek Pickle, Special Agent-in-Charge, Washington Region, U.S. Department of Labor Office of Inspector General.

With the unprecedented increase in new unemployment insurance filed claims over the past several months due to COVID-19, and the additional programs offered by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), states across the country are seeing an increase in reports of unemployment claims being fraudulently filed by imposters using stolen personally identifiable information.

If you believe that your information has been used to fraudulently file an unemployment insurance claim, please contact the Maryland Department of Labor’s Division of Unemployment Insurance by visiting MDunemployment.com or emailing ui.fraud@maryland.gov. Suspected unemployment insurance fraud should also be reported to the DOL-OIG Hotline by visiting www.oig.dol.gov/hotline.htm or calling 1-800-347-3756.

If you think someone is using your personal information to open accounts, file taxes or make purchases, visit <https://www.identitytheft.gov> to report and recover from identity theft. For more information about COVID-19 fraud, visit the Justice Department’s website at <https://www.justice.gov/coronavirus>.

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