

N E W S R E L E A S E

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Employment Development Department Moves to Block New Disability Insurance Fraudsters

SACRAMENTO—The California Employment Development Department (EDD) detected and is quickly taking action to halt a recent move by organized criminal elements to file false disability insurance claims.

The new disability insurance identity theft scam involved suspected organized criminal elements filing false disability insurance claims by attempting to use stolen credentials of individuals and medical or health providers. Medical and health providers certify the existence of a disability that an applicant reports when seeking disability insurance benefits from EDD. Evidence of the scam included a recent increase in new online medical or health provider account EDD registrations and a rise in disability insurance claims.

“The Department saw a recent rise in new online medical and health provider account registrations and strongly suspects most of those registrations were fraudulent,” said Ronald Washington, EDD’s Disability Insurance Deputy Director. “We deployed additional safeguards that further protect providers and claimants from these scams.”

The Department has suspended payments on certain claims until it can further verify information on that claim. EDD is also boosting its medical and health provider vetting process and halting payment on many new claims. These efforts help protect legitimate providers and claimants from further fraud. The filters will slow the process of registering new providers and may impact the time it takes for legitimate claimants to receive benefits. EDD will be contacting providers as soon as possible to complete the additional verification processes.

There is currently no evidence that California medical or health providers were knowingly involved in this latest scam attempt. EDD is expanding its fraud information sharing across state and federal agencies as well as impacted medical groups. California will continue to closely monitor claim activity and take actions to protect the integrity of state disability insurance funds.

EDD continues to urge the public to remain vigilant about protecting personal information when engaging in any online activities. Communication from EDD seeking further information to verify a claim are examples of anti-fraud efforts at work and to stop payment on suspicious claims.

Those who receive communications from EDD and suspect fraud, such as someone filing a claim or creating an account, may want to file a fraud report by visiting [Ask EDD](#) and selecting the “Report Fraud” category to complete the Fraud Reporting Form. Victims may also want to file an identity theft report with the [Federal Trade Commission \(FTC\)](#). Information about how to combat fraud and guard against identity theft is available on the EDD’s [Help Fight Fraud](#) webpage.

The state’s disability insurance programs are one of EDD’s four key programs that also include Unemployment Insurance, Employment Tax Collection, and Workforce Development services. Disability insurance benefits provide partial wage replacement for eligible California workers who are unable to work and have a loss of wages due to illness, injury, or pregnancy.

EDD has posted Frequently Asked Questions about the new identity theft scam on the [Help Fight Fraud](#) page, along with helpful information and resources to help assist those who may be victims of identity theft.

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