

California Unemployment Fraud by the Numbers

* all data is March 2020 through January 16, 2021

Record Number of Unemployment Claims

- Nationally, states processed more than one billion unemployment claims in 2020, totaling over \$500 billion in benefits.¹
- California has received the most claims of any state.²

Unemployment Fraud: A National Problem

- Unemployment systems in nearly every state have been attacked by international and national crime syndicates.³ Nationally, 35% of unemployment applications are fraudulent, according to ID.me.⁴

Fraud Prevented in California

- EDD estimates it identified and prevented up to \$60 billion in fraudulent claims before being paid out.

Breaking Down the Statistics

- EDD confirmed that 9.7% of payments are fraudulent to date.

Of the confirmed fraud:

- 95% is from the federal Pandemic Unemployment Assistance (PUA) program.
 - 5% is associated with California's existing Unemployment Insurance (UI) program.
- EDD is investigating an additional 17% of payments made during this time as potentially fraudulent.

California has processed 19.5 million claims.

- In 2010, at the height of the Great Recession, California processed 3.8 million claims.

California has paid out \$114 billion in unemployment benefits.

Nationally, 35% of unemployment applications are fraudulent, according to ID.me.⁴

Of California's confirmed fraudulent payments, 95% are associated with the federal Pandemic Unemployment Assistance (PUA) program, which the U.S. Department of Labor has said was particularly susceptible to fraud.⁵

The remaining 5% is associated with California's Unemployment Insurance (UI) program. By comparison, in 2019 fraud accounted for about 6% of the state's total UI payments.

Combating Unemployment Benefit Fraud

- EDD and state and local agencies continue to work with a task force, led by CalOES, established to coordinate state efforts and support unemployment fraud investigations.
- California continues to partner with private sector internet security experts to prevent fraud. (ID.me, Thomson-Reuters and others)
- California is engaging with the Biden administration to fight domestic and international crime syndicates targeting our unemployment systems.



¹ National Association of State Workforce Agencies, State of the Workforce Report: Pandemic Response (Draft).

² <https://tcf.org/content/data/unemployment-insurance-data-dashboard/?session=1>

³ <https://www.usatoday.com/in-depth/news/investigations/2020/12/30/unemployment-fraud-how-international-scammers-took-36-b-us/3960263001/>

⁴ <https://www.cnbc.com/2021/01/05/scammers-have-taken-36-billion-in-fraudulent-unemployment-payments-.html>

⁵ <https://www.oig.dol.gov/public/testimony/20200601.pdf>