

# 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.<sup>1</sup>
- California has received the most claims of any state.<sup>2</sup>

## Unemployment Fraud: A National Problem

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

## 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.

## 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.



**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.<sup>4</sup>**

**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.<sup>5</sup>**

**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.**

<sup>1</sup> National Association of State Workforce Agencies, State of the Workforce Report: Pandemic Response (Draft).  
<sup>2</sup> <https://tcf.org/content/data/unemployment-insurance-data-dashboard/?session=1>  
<sup>3</sup> <https://www.usatoday.com/in-depth/news/investigations/2020/12/30/unemployment-fraud-how-international-scammers-took-36-b-us/3960263001/>  
<sup>4</sup> <https://www.cnn.com/2021/01/05/scammers-have-taken-36-billion-in-fraudulent-unemployment-payments-.html>  
<sup>5</sup> <https://www.oig.dol.gov/public/testimony/20200601.pdf>