

BBB Press Release

Virginia Employment Commission Notifies Victims of Possible Unemployment Claim Fraud & Identity Theft



BBB Serving
Western Virginia
bbb.org

FOR IMMEDIATE RELEASE

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(Roanoke, VA) April 7, 2021– Have you received an unexpected letter from the Virginia Employment Commission (VEC) regarding an unemployment benefits claim? Then you might have been the victim of identity theft through a fraudulent unemployment claim. Better Business Bureau (BBB) Serving Western Virginia offers additional steps to take if you have been informed of unemployment claim fraud and identity theft.

It's another unwelcome byproduct of the pandemic: crooks are taking advantage of increased unemployment to collect benefits in the names of unsuspecting victims. Unemployment recipients reported their VEC bank account, payment, and personal information were changed without their knowledge or permission. These claimants said they stopped receiving benefits after noticing the change.

VEC has issued a warning on their website and is aware of reports from some customers that their banking information may have been changed without their permission. VEC is investigating these reports and has begun notifying victims by mail of unemployment claim fraud. The government agency has limited some functionality on their claims filing website until further notice.

If you believe you are the victim of identity theft for your unemployment insurance claim, please report it by visiting their [website](#).

Steps to take if you have fallen victim to an unemployment claim

phishing scam:

If your identity has been stolen, report it.

- File a complaint with the Federal Trade Commission:
1-877-ID-THEFT (438-4338)
[identitytheft.gov/](https://www.identitytheft.gov/)

If you gave banking information through a phishing scam.

- Place a "fraud alert" or "freeze" on your credit reports.
- Notify all credit grantors and financial institutions.
- Monitor your credit.

If you receive benefits you never applied for, report it to Virginia Employment Commission and ask for instructions.

If you suspect fraud or identity theft related to unemployment insurance benefits or would like to report an overpayment, visit VEC's website to complete their [online form](#).

Virginia Employment Commission
Attention: Benefit Payment Control
Post Office Box 27887
Richmond, VA 23261-7887

FAX (804) 692-0580
Fraud Hotline 1-800-782-4001

File a police report with your local police department.

Obtain a copy of the report so you can provide it to credit agencies. You can find more information on the major credit reporting agencies and request your free reports at [annualcreditreport.com](https://www.annualcreditreport.com).

Make sure you contact your employer.

Keep a record of whom you speak with and when.

How Unemployment Claims Fraud Works:

From a phone call, an impersonated government agency representative requests you to verify your personal information for your unemployment claim. In an email or text message variation of the con, scammers instruct consumers to click a link to "request benefit payments." The link connects to an application prompting the entering of personal

information to "make sure you are getting all the payments owed to you." But beware, this "application" is really a way to phish for personal details and commit identity theft.

Fraud also takes place when false information is knowingly submitted to receive unemployment benefits. An example of Unemployment Insurance fraud could be a claimant who has returned to work but repeatedly files weekly claims for benefits without reporting wages earned.

Identity theft related to Unemployment Insurance is usually not the fault of the claimant or employer; it happens when you believe someone has illegally filed for unemployment benefits using your identity. Most victims don't know their identity has been used for unemployment fraud until they are contacted about an unemployment claim they never made.

According to [BBB Scam Tracker](#), here are some common ways victims became aware of the fraud:

- A notification from an unemployment office "confirming" the date of their last day of work – even though they are still employed.
- A letter from the state unemployment office or department of labor informing them that their unemployment benefits were denied – even though they made no such claim.
- Their employer is notified that they filed for unemployment benefits, even though they still work for the company.
- A [1099 tax form](#) reporting income from unemployment benefits that they never applied for or received.

The U.S. Department of Labor has also launched a new [website](#) to help those whose identities have been stolen & used to file for unemployment. The Department of Justice (DOJ) recently sent a [warning](#) regarding fake websites mimicking unemployment benefit websites, including state workforce agency (SWA) websites, for the purpose of unlawfully capturing consumers' personal information.

The \$900 billion Covid relief law signed in December adds measures to fight criminals trying to steal unemployment benefits. The U.S. lost more than \$36 billion in unemployment benefits to improper payments, largely from fraud, since the CARES Act was passed in the spring.

Government Agency Imposter scams ranked number one in 2020 in our local BBB Serving Western Virginia service area. From January 1, 2020, there have been 160 reports filed to BBB Scam Tracker, and over 34 reports so far in 2021 alone. BBB Scam Tracker reports \$1,650 total-dollar loss, and \$825 median-dollar loss. The average dollar amount attempted was

\$1,500.

"It's important to stay vigilant and question any communication for a government agency, especially when dealing with your personal identification information," says Julie Wheeler, President and CEO of BBB Serving Western Virginia. "Call the BBB to check if the government agency's listed information is legitimate," says Wheeler.

Tips to Spot & Avoid Unemployment Claim Phishing Scams:

- **Stay calm.** Resist the urge to act immediately, no matter how dramatic the story is. Scammers try to get people to act before thinking about the situation.
- **Don't reply directly.** Don't respond to unknown calls, texts, or emails. If you think the message may be real, find the government agency's contact information on the internet and contact them directly. Don't click on links or open attachments.
- **Check for look-alikes.** Research to see if the government agency or organization that contacted you actually exists. Scammers often make up names of agencies or grants.
- **Do not pay any money for "free" unemployment claims, government grants, or programs.** It is not really free if there is a fee involved. A real government agency will not ask for an advanced processing fee. Instead, find out if the agency is legitimate by checking [grants.gov](https://www.grants.gov).
- **Don't pay money** by money wire, send cash, or put money on gift cards. Your state agency will never tell you to repay money that way.
- **Don't give sensitive personal or financial information like PINs or Passwords** to unsolicited calls, texts, or emails. If your bank reaches out to you, they will not ask for confidential information — such as your card PIN, access code, or online banking password.
- **The VEC will never ask for all nine digits of a social security number to identify a claimant.**
- **You should not have to verify your information to receive payment.** Those who do ask you to verify your information are imposters.

Red flags of Unemployment Claim Scams and Fraud:

- Unsolicited calls, emails, or texts messages that ask to "verify" or provide information
- High-pressure tactics

- There's a fee involved
- Telling you to wire money, send cash, or put money on gift cards
- Scammers ask to send money or money was sent by mistake

Report Scams to BBB Scam Tracker

Did you spot a business or offer that sounds like an illegal scheme or fraud? Tell us about it. Help us investigate and warn others by reporting what you know.



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