

Texas Workforce Press Release

FOR IMMEDIATE RELEASE

DATE: August 4, 2009

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Unemployment Fraud Prosecutions Yield \$460,953 in Restitution Orders

Statewide Effort Includes Prosecution of 39 in the Greater Houston Area

AUSTIN – Efforts by the Texas Workforce Commission (TWC) led to more than \$460,000 in restitution orders for the first half of 2009. The orders resulted from statewide criminal prosecutions for Unemployment Insurance (UI) fraud. These funds will be returned to the Unemployment Compensation Trust Fund from which TWC pays UI benefits to those who lose their jobs through no fault of their own.

TWC investigates and refers cases to local district attorney offices in which unemployment insurance benefits are obtained through fraud or deception. TWC's efforts have resulted in nearly \$4 million returned to the state's trust fund during the three-year period from 2006 to 2008.

In the Greater Houston area, 39 individuals were prosecuted for UI fraud and ordered to pay \$228,866 in restitution for fraudulent UI claims this year. Thirty-seven of these prosecutions were in Harris County, one was in Matagorda County and one was in Fort Bend County. In addition to restitution, individuals who commit UI fraud can be ordered to pay a fine, perform community service and some serve jail time. For a list of recent statewide criminal dispositions, go to **www.twc.state.tx.us/ui/bnfts/prosecutiondispo.html**.

“Everyone pays the price when people choose to cheat the system,” said TWC Chairman Tom Pauken. “These cases demonstrate the results of agencywide systems implemented to detect and prevent fraud.”

TWC's Regulatory Integrity Division is charged with detecting and preventing fraud, waste and abuse. The division enforces all regulatory statutes within the jurisdiction of the agency, including Tax, Workforce, Trade Act, Skills Development, Self-Sufficiency, Child Care and all other programs administered by TWC. Prevention, detection, and elimination of fraud, waste and abuse in the UI program are top priorities, ensuring that funds are available exclusively to those who meet the eligibility requirements.

TWC administers UI benefits to workers who become unemployed through no fault of their own and are actively seeking work. The TWC regularly cross matches UI claims with employer wage reports and other databases to detect possible UI fraud. If TWC discovers that claimants have received UI benefits through fraudulent applications, the agency seeks immediate reimbursement of overpayments. Examples of UI fraud include giving false information and failure to report self-employment or other earnings while receiving UI benefits.

To report suspected UI fraud, call the TWC Fraud and Program Abuse hot line at (800) 252-3642.

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The Texas Workforce Commission is a state agency dedicated to helping Texas employers, workers and communities prosper economically. For details on TWC and the programs it offers in unison with its network of local workforce development boards, call (512) 463-8556 or visit www.texasworkforce.org.