

# Texas Workforce Press Release

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**FOR IMMEDIATE RELEASE**

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## **TWC Recovers \$903,554 in Unemployment Insurance Fraud in 2009**

*Statewide effort includes prosecution of 15 individuals in northeast Texas*

AUSTIN – Texas Workforce Commission (TWC) efforts led to more than \$900,000 in restitution orders in Calendar Year 2009 as a result of 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 in which UI benefits are obtained through fraud or deception to local district attorney offices. TWC efforts have resulted in nearly \$5 million returned to the state's trust fund over the past three years through prosecutions and settlements. In addition to restitution orders, individuals who commit UI fraud can be ordered to pay fines, perform many hours of community service and some serve jail time. For a list of recent criminal dispositions listed by county, go to [www.twc.state.tx.us/ui/bnfts/prosecutiondispo.html](http://www.twc.state.tx.us/ui/bnfts/prosecutiondispo.html).

Smith, Cass and Hopkins counties each had one individual prosecuted for UI fraud in 2009. TWC also assisted the U.S. Department of Labor and U.S. Postal Inspection Service with the federal prosecution of 12 individuals from northeast Texas involved in a fictitious employer scheme, identity theft and filing false UI claims. The 15 northeast Texas individuals were ordered to pay a total of \$58,991 in restitution.

“All Texas employers pay the price when people cheat the system,” said TWC Chairman Tom Pauken. “It is vitally important that we protect this employer-paid fund and preserve it for those who are truly eligible to benefit from it.”

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 that TWC administers. 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. 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 Hotline 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 coordination with its network of local workforce development boards, call (512) 463-8556 or visit [www.texasworkforce.org](http://www.texasworkforce.org).*