

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

Auditor of State Advisory Memo

To: All Auditor of State Clients
From: Keith L. Faber, Auditor of State
Date: February 17, 2023
Subject: **Fraudulent Unemployment Compensation Claims**

Auditor Faber has learned from local government officials that a fresh wave of potentially fraudulent Unemployment Claims are being filed in the name(s) of county and local government employees. Just as with last year, nearly all of these claims are being filed on behalf of public employees who are still currently employed.

The Auditor's Office understands that various local governments received guidance from the Ohio Department of Job and Family Services (ODJFS) that reimbursing employers would be responsible for payment of the employer's share of unemployment compensation claims – even when the claim was clearly fraudulent.

Accordingly, Auditor Faber is reissuing this advisory to address renewed activity and concerns. This advisory should serve as clear guidance to our clients facing this issue. The Auditor of State will not issue a finding for recovery nor make an adverse audit finding where a local government elects to pay the invoice from ODJFS as a reimbursing employer for potentially fraudulent claims. Under normal circumstances, outside of spiking fraudulent activity, this would be a proper public expenditure. Likewise, if a local government elects to not pay the ODJFS invoice for a known fraudulent claim for unemployment benefits, the Auditor will not make an audit finding of non-compliance where the entity relies on a well-reasoned legal opinion. Of course, local governments should continue to do their part in reporting fraud directly to ODJFS.:

- <https://secure.jfs.ohio.gov/feedback/ouc/ouc-fraud/index.stm> (employee reporting)
- <https://unemploymenthelp.ohio.gov/IdentityTheftEmployer/> (employer reporting)

Additionally, Auditor Faber stands ready to work with the General Assembly, our local government partners, associations, and the Ohio Department of Job and Family Services to fix

this problem. Ohio's local governments should not be made to bear the burden and cost of fraudulent unemployment claims.

For more information about ODJFS Unemployment Fraud Reporting please see the following:

[State Information Data Exchange System \(SIDES\) or SIDES E-Response | Office of Unemployment Insurance Operations | Ohio Department of Job and Family Services](#)

DOL Video: [SIDES Employer Messaging - YouTube](#)