



## **IT'S A CRIME**

*Committing benefit fraud or payroll tax fraud is a crime, and it hurts everyone. It drives up unemployment taxes for businesses, increases disability insurance contribution rates, and causes frustration for law-abiding individuals. Those who commit fraud are subject to fines, penalties, and/or criminal prosecution.*

### **CONTACT US**

Help EDD fight fraud. If you think someone is committing fraud against one of EDD's programs, it is important that you let us know about it.

#### **TO REPORT UI, DI, OR PFL FRAUD**

Call: 1-800-229-6297

#### **TO REPORT PAYROLL TAX FRAUD**

Call: 1-800-528-1783

E-mail: [ueo@edd.ca.gov](mailto:ueo@edd.ca.gov)

Fax: 916-227-2772

For more information, visit the EDD Web site at [www.edd.ca.gov](http://www.edd.ca.gov) "Reporting Fraud." The Web site includes information and tips for businesses and individuals on how to prevent and protect against fraud. In addition, users can download a variety of publications on fraud prevention and visit links to other useful resources.



STATE OF CALIFORNIA

LABOR AND WORKFORCE DEVELOPMENT AGENCY

EMPLOYMENT DEVELOPMENT DEPARTMENT

EDD is an equal opportunity employer/program. Special requests for alternate formats need to be made by calling 916-654-8055.



# FRAUD COSTS EVERYONE

*Employers, employees, and taxpayers pay the cost of fraud in lost jobs, lost profit, lower wages, and higher costs for goods and services. The Employment Development Department (EDD) is cracking down on individuals who are committing fraud. You can help us in our campaign to stop fraud by becoming aware of the types of fraud and*

*how to report suspicious activity. Reporting fraud can save millions of dollars in tax money that might not otherwise be detected.*

## TYPES OF FRAUD

**BENEFIT FRAUD** – Individuals who knowingly give false or misleading information in order to collect Disability Insurance (DI), Paid Family Leave (PFL), and Unemployment Insurance (UI) benefits they are not entitled to. Examples include:

- Using another person's identity (e.g., name, social security number) to file a fraudulent claim
- Stealing someone's mail – a federal crime – and cashing their benefit checks
- Working while collecting benefits, and not reporting it to EDD
- Aiding someone in filing a fraudulent claim
- Falsifying information or failing to disclose information
- Failing to accurately report hours of work and earnings to EDD
- Not reporting cash wages to EDD
- Intentionally reporting they looked for work when they did not while collecting UI benefits
- Failing to be able and available for work (e.g., out of the area, on vacation) while collecting UI benefits
- Faking an illness or injury while collecting DI or PFL benefits
- Falsifying medical information to collect DI or PFL benefits

**PAYROLL TAX FRAUD** – Individuals or businesses who deal in cash-only or use other schemes to conceal their activities and their true tax liability. Also referred to as the underground economy, tax evasion, tax fraud, cash pay, tax gap, payments under-the-table, and off the books. Examples include:

- Filing false payroll returns
- Paying employees in cash or under-the-table to avoid paying taxes
- Practicing rate manipulation schemes
- Neglecting to report all wages paid and to pay payroll taxes
- Intentionally misclassifying employees as independent contractors

*YOU are a very important source of information about claimants, employers, medical practitioners, and others committing fraud.*



## HOW TO REPORT FRAUD

If you think someone is committing fraud against one of EDD's programs, please report it to us immediately. All allegations of fraud are taken seriously. Please include as much information as you can, including:

- ✓ Who is committing fraud?
- ✓ What is their address and telephone number?
- ✓ What is their social security number or employer number?
- ✓ What are they doing?
- ✓ When did they start doing this?
- ✓ What is your name, address, and telephone number? (optional)

***You may remain anonymous if you prefer.***

Note: We may request additional information depending on the type of fraud you are reporting.