

Why You Should Help Fight Fraud

Fraud impacts everyone and lead to:

- Lost jobs
- Lost profits
- Lower wages
- Higher costs for goods and services

Help the Employment Development Department (EDD) fight fraud by learning how to identify and report benefit and payroll tax fraud.

You are very important in identifying claimants, employers, medical practitioners, and others who are committing fraud.



STATE OF CALIFORNIA

LABOR AND WORKFORCE DEVELOPMENT AGENCY

EMPLOYMENT DEVELOPMENT DEPARTMENT

EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.



FRAUD IMPACTS EVERYONE

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 payments.
- Working while collecting benefits, and not reporting it to the 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 the EDD.
- Not reporting cash wages to the EDD.
- Certifying for UI benefits while intentionally reporting they looked for work when they did not.
- Failing to be able and available for work (e.g., out of the area, on vacation) while certifying for UI benefits.
- Faking an illness or injury while collecting DI or PFL benefits.
- Falsifying medical information to collect DI or PFL benefits.
- Failing to report a UI illness or injury that prevents claimants from working.

PAYROLL TAX FRAUD – Individuals or businesses who pay cash under the table or use other schemes to conceal their activities and their true tax liability. This is 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:

- Knowingly filing false payroll returns to avoid payroll taxes.
- Paying employees under-the-table to avoid payroll taxes.
- Practicing UI rate manipulation schemes.
- Intentionally failing to report all wages paid in order to avoid payroll tax liabilities.
- Intentionally misclassifying employees as independent contractors to avoid payroll tax liabilities.

HOW TO REPORT FRAUD

If you think someone is committing fraud against one of the EDD 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 phone number? (optional)

You may remain anonymous if you prefer.

CONTACT US

The EDD has several options to report fraud:

- Submit online through the **Fraud Reporting Form** (askedd.edd.ca.gov/Fraud.aspx) for any of the EDD programs.
- Call 1-800-229-6297 to report **benefit fraud**.
- Call 1-800-528-1783 or email **Underground Economy Operation** (ueo@edd.ca.gov) to report **payroll tax fraud**.

Visit **Report Fraud** (askedd.edd.ca.gov/ReportFraud.aspx) for additional options.

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