

To: Gay Gilbert, Administrator, U.S. Department of Labor
Cc: Rose Zibert, Acting Regional Administrator, U.S. Department of Labor, Region 5
From: H. Luke Shaefer, Associate Professor, University of Michigan*
Steve Gray, General Manager, Michigan Unemployment Insurance Project
Date: 19 May 2015

Michigan Unemployment Insurance Agency: Unjust Fraud and Multiple-Determinations

The purpose of this memo is to alert you to recent changes at the Michigan Unemployment Insurance Agency (UIA) that are behind an unprecedented increase in the number of fraud cases, separation and non-separation determinations, and appeals of agency determinations. We are deeply concerned that agency procedures, made possible by new IT systems, (1) subject significant numbers of innocent claimants to unjust fraud charges, (2) further deter claims by inundating claimants with confusing multiple determination notices, and (3) exaggerate agency workloads in ways that increase federal administrative funding.

On behalf of Michigan claimants and U.S. taxpayers, we urge the U.S. Department of Labor to investigate UIA's administrative procedures to ensure the agency treats claimants fairly and complies with federal law.

1. Unprecedented Increase in Fraud Cases, Non-monetary Eligibility Determinations, and Lower Authority Appeals is Cause for Concern

The recent surge in fraud cases, non-monetary eligibility determinations, and lower authority appeals is particularly troubling in the context of extremely low levels of claims activity. Last year, Michigan's initial claims and benefits paid (adjusted for inflation) fell to a forty-year low, while the number of weekly claims also reached near-historic lows.¹

- a. **Fraud Cases:** Over the most recent four quarters, UIA established 26,882 fraud cases, bringing outstanding receivables to an all-time high of \$56.9 million.² In 2014, UIA established more than five times the typical number of fraud cases and twice as many as in 2012, the previous high (Figure 1). Whereas in the past, UIA determined about 10 percent of overpayments were due to fraud, the agency now finds fraud in over one-third of overpayment cases.
- b. **Non-monetary Determinations and Denials:** After taking into consideration claims activity, the rate of non-monetary determinations has never been higher in the program's recorded

¹ Dating back to 1975, weekly claims were only lower in 1999 and 2000 when the state unemployment rate was 3.7 and 3.6 percent, respectively.

² ETA 227, columns 1 and 71, Q2 2014 to Q1 2015 (accessed 5 May 2015).

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history (Figure 2). In 2014, the number of non-separation and separation determinations increased by 159 percent and 32 percent, respectively, over the previous year, even as initial claims and claimant contacts declined by nearly ten percent (Table 2).

- *Non-separation:* All non-separation categories increased year-over-year, but the rise in “disqualifying or deductible income” and “other” deserve special attention (Table 2). MiUI saw a number of cases where UIA’s computers mishandled partial benefits or improperly attributed earnings to weeks when claimants were unemployed, resulting in automatic fraud determinations. (See claimant example 2.) Finally, while we do not know the cause of the six-fold increase in “other,” it is concerning that these determinations do not fall within one of the standard categories.
- *Separation:* A 75 percent increase in “voluntary leaving” determinations led to the year-over-year rise in separation determinations (Table 2). The increase in voluntary leaving determinations is likely the product of a new automated procedure we call “robo-fraud,” which we will discuss in greater detail.
- *Denials:* UIA denied 70 percent of a staggering 590,000 determinations in 2014. The denial rate exceeded the long-term average by 13 percentage points and was the highest rate in the program’s recorded history. Interestingly, the denial rate for redeterminations fell from 52 percent in 2013 to just 4 percent in 2014. We do not know if this change is the result of a reporting error or a change in policy.

c. **Lower Authority Appeals:** After taking into consideration agency workload, appeals reached an all-time high in 2014 (Figure 3). Last year, 37,500 claimants were involved in appeals—the equivalent of roughly 150 appeals per business day. Claimant appellants outnumbered employer appellants six to one in 2014—twice the historic rate—indicating that negative agency decisions are falling disproportionately on claimants. Moreover, appeals occur less frequently than expected given the high number of determinations. For instance, appellants filed 6.4 appeals per hundred determinations last year, compared to 8.4 on average over the prior two decades.

Our concern is that multiple and confusing determinations may discourage claimants, and disadvantaged claimants in particular, from appealing unfair agency decisions that they would win at a hearing. Additionally, because many adjudications occur months after a claimant has stopped claiming benefits, former claimants who changed addresses do not learn of the determination within the 30-day appeal window. Failing to appeal is especially damaging in overpayment and fraud cases where claimants may owe tens of thousands of dollars as a result of Michigan’s exorbitant four-times fraud penalty and the 12 percent interest rate charged on restitution.

2. Failure to Meet Federal Performance Standards

Another possible reason for the lack of appeals is that the hearing system is completely overwhelmed by the number of negative agency decisions. Over the previous 12 months, claimants waited an average of 78 days—longest in the nation—for an Administrative Law Judge to hear their case (Table 2). These delays create a serious financial hardship for unemployed workers who may wait over two months for a decision. Additionally, only 65 percent of non-monetary determinations met the federal 21-day timeliness standard (Table 2). The agency’s flagrant disregard of federal performance standards is reason enough for an investigation.

Performance Measure	Michigan	Federal Standard
Non-monetary determinations, 21-day timeliness	64.5 percent	≥80 percent
Average age of pending lower authority appeals	77.9 days	≤30 days

Source: U.S. Department of Labor, State Rankings of Core Measures, (accessed 5 May 2015).

3. “Robo-Fraud” and Multiple Adjudications Explain the Unprecedented Rise in Agency Actions Against Claimants

In 2014, the Michigan Unemployment Insurance Project (MiUI) noticed a significant uptick in clients seeking our help with fraud-related cases and the number of clients being inundated by multiple determination notices. Through the appeals process, MiUI learned that UIA introduced a new, automated computer system that is behind the surge in fraud cases and eligibility determinations. Multiple determinations confuse and frustrate claimants. More seriously, the procedure we refer to as “robo-fraud” is grossly unjust and potentially violates state and federal law.

- a. **Robo-fraud:** UIA’s computers search through past and present claimant records, scanning for wage-record irregularities, in addition to reporting discrepancies between claimants and their former employers related to the reason for separation from employment. MiUI frequently sees partial benefits cases where the agency automatically brings fraud charges against claimants who made good-faith efforts to accurately report wages. As claimant example 4 illustrates, in addition to charging claimants with fraud well after their benefits expired, UIA is unable to provide any evidence of wrongdoing at appeals hearings.

More often, however, claimants request help with separation fraud. After UIA’s computer system identifies a separation discrepancy, it automatically sends claimants a questionnaire threatening to issue a “determination based on available information,” if they fail to respond within ten days. As is illustrated by Exhibit 1, the agency does not explain in any

detail the nature of the problem in the questionnaire itself or in the ensuing fraud determination letter. (Not until the appeals hearing, do claimants learn the details of the agency's accusations.)

On the back of the questionnaire there are two questions. The first question asks if claimants intentionally provided false information (Exhibit 1). The second question asks claimants why they should have been entitled to benefits. Notably, "I was legally entitled to benefits" is not one of the eight possible responses. The sole purpose of these self-incriminating questions is to provide evidence in support of subsequent fraud charges. Indeed, from a claimant's perspective, there is no "right" way to respond to the questionnaire. UIA automatically levels fraud charges in the following circumstances:

- i. when claimants do not respond within ten days;
- ii. when claimants provide a timely response that differs from their former employers' response to a similar questionnaire; and
- iii. when UIA's disjointed computer system fails to properly record on-time responses that are consistent with employer reports.

Because many Administrative Law Judges recognize the absurdity of this process, MiUI rarely loses robo-fraud cases at appeals hearings. However, we are only able to represent a fraction of claimants swept up by robo-fraud. Even those claimants who are able to afford a lawyer should not be forced to defend themselves against baseless charges. The following are other aspects of robo-fraud that should concern the U.S. Department of Labor.

- **Claimants treated unfairly:** There is no rational reason for UIA to assume by default that reporting discrepancies between claimants and their former employers or the failure to return a questionnaire in ten days constitute fraud. Likewise, there is no justification for accepting by default an employer's explanation for the separation from employment. Claimants and their former employers frequently disagree about the nature of job loss for a variety of reasons, including simple reporting mistakes and good-faith disputes over the specific details. As claimant example 1 illustrates, UIA is retroactively charging claimants with fraud in cases where employers never contested the benefit claim.
- **Claimants do not receive timely notices:** UIA levels fraud charges against claimants whose benefits ended months or even years ago. Because UIA does not have current address information or a way to verify receipt, claimants do not always receive the questionnaires or determination letters. In these cases, claimants do not find out about the charges until UIA is about to garnish their wages and tax refunds or levy their

bank accounts. Furthermore, after missing all appeals deadlines, claimants must go through the added hurdle of submitting a good-cause request to reopen their cases.

- **Misaligned financial incentives may encourage employers to provide misinformation:** Robo-fraud offers employers a financial incentive to misrepresent the reason for job loss. All employers must do to guarantee a benefit denial is state that their former employees quit, regardless of the real reason for the separation. While UIA is quick to charge claimants with fraud, as far as we can tell employers who provide false information regarding a claimant's separation face no consequences whatsoever. At worst, UIA may charge employers for benefits, if former employees successfully navigate the onerous appeals process.
 - **Double-standard applies to claimants and employers:** Even though MiUI rarely loses robo-fraud cases at appeals hearings, we are unaware of a single instance of the agency charging an employer with fraud for misrepresenting the reason for separation. There is no explanation for why robo-fraud should only work against claimants when it is just as reasonable to assume that employers make misrepresentations. (See claimant example 3.)
 - **Disadvantaged claimants at greatest risk:** Claimants charged with fraud are not eligible for a hardship restitution waiver (allowed under Michigan law for indigent claimants), nor are they eligible for free representation at appeals hearings through Michigan's Advocacy program. By adding fraud charges on top of garden-variety eligibility decisions, UIA ensures that claimants will be unable to seek financial relief or free representation. It is reasonable to assume many claimants are ill-equipped to advocate on their own behalf or cannot afford a private attorney. Indeed, pro-bono attorneys we spoke with are overwhelmed with robo-fraud cases.
 - **Lawsuit filed against UIA for robo-fraud:** On April 21, the United Auto Workers, the Sugar Law Center, and a group of citizens filed a complaint against UIA in federal court to stop robo-fraud.³
- b. **Multiple Adjudications:** "Multiple adjudications" are at least partially responsible for the unprecedented rise in eligibility determinations. UIA cites improved efficiency as one of the benefits of the new automated IT infrastructure.⁴ However, in the case of eligibility determinations described above, increased efficiency has not improved customer service

³ *Zynda et al v. Zimmer et al*, No. 2:2015cv11449 (Michigan Eastern District Court, 2015).

⁴ Michigan Department of Licensing and Regulatory Affairs, Unemployment Insurance Agency, Michigan Integrated Data Automated System & Unemployment Insurance Modernization Project, NASCIO award nomination, <http://tinyurl.com/q6dsgvm>.

for claimants or resulted in the more efficient use of federal resources. The U.S. Department of Labor should not reward UIA for exaggerating its workload in a way that increases federal funding or for replacing staff, who once reviewed claimant records, with an IT system.

- While the IT improvements were intended to reduce paperwork, the new computer systems made it much easier (efficient) for UIA to issue multiple determinations related to a single claim. Claimant example 4 illustrates how multiple adjudications resulted in a client receiving 20 determinations on related remuneration issues pertaining to a single claim.
- In a case study touting its services, the company behind UIA's new computing systems, Fast Enterprises, credits a \$9 million increase in Michigan's federal administrative funding to the "[i]ncreased non-monetary determination efficiency" made possible by the new computing system.⁵

4. Automatic Garnishment of Wages and Tax Refunds: As a result of robo-fraud and 2011 state legislation, there is now an uninterrupted pipeline from workers' bank accounts, tax refunds, and wages to UIA. From the initial fraud determination to the garnishment of wages and tax refunds, there are few legal barriers in place to protect claimants from UIA. (See claimant example 2 below.) Moreover, Michigan's severe four-times fraud penalty makes it more difficult for thousands of claimants to recover from unemployment.

- Whereas in the past, UI returned fraud proceeds to the UI trust fund, Public Act 269 of 2011 allows the agency to retain a portion of collections, giving UIA a financial incentive to find fraud where none exists.⁶
- The legislation also increased the percentage of wages that UIA may garnish from 20 to 50 percent and eliminated the requirement that the agency seek a court order before garnishing wages. This policy is particularly harmful to low-wage workers who cannot afford to have their paychecks reduced.
- UIA often garnishes tax refunds and wages with little or no notice. UIA likely fails to provide proper notification because the agency does not have current mailing addresses for claimants who may have collected benefits months or years prior.

⁵ Fast Enterprises. Michigan's Unemployment Insurance Solution. <http://www.fastenterprises.com/documents/MichiganCaseStudy.pdf>.

⁶ For a summary of Public Act 269 of 2011, see <http://www.legislature.mi.gov/documents/2011-2012/billanalysis/Senate/pdf/2011-SFA-0806-N.pdf>.

Recommendations

Our analysis of administrative data provides evidence of a system-wide effort that charges innocent claimants with fraud and discourages unemployed workers from claiming benefits. The recent procedural changes behind these increases are leading to a loss of confidence in the state unemployment insurance program. In our experience, innocent claimants accused of committing fraud are often overwhelmed by a sense of injustice, while exaggerated accounts of fraud undermine confidence in the unemployment insurance system.

The dramatic procedural changes wrought by the automated IT infrastructure justify a review by the U.S. Department of Labor to ensure that agency procedures treat claimants fairly and comply with federal law. We urge you to consider the following actions:

1. Investigate the causes behind the unprecedented increase in fraud cases, non-monetary determinations, and appeals.
2. Conduct a comprehensive review of UIA's recent staff reductions as well as new automated procedures, including robo-fraud, multiple adjudications, the garnishment of claimant wages and tax refunds, and the levying of claimant bank accounts.
3. Review the integration of UIA's IT systems to verify that the online claimant portal is user friendly and that agency forms, such as the fraud questionnaire and fraud determination, serve a legitimate purpose, are easy to understand, are accessible for persons with disabilities or limited English proficiency, and provide meaningful information.

Thank you for your consideration. Please feel free to contact us with further questions.

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H. Luke Shaefer, Ph.D. is an associate professor at the University of Michigan School of Social Work. His research on the effects of Unemployment Insurance and other public programs in the U.S. has been published in *Journal of Public Policy Analysis and Management*, *Monthly Labor Review*, *Social Service Review*, and *Health Services Research*. He is an elected member of the National Academy of Social Insurance. He received his Ph.D. in Social Service Administration from the University of Chicago.

Steve Gray is the general manager and a founder of the nonprofit Michigan Unemployment Insurance Project (MiUI), which marshals law students to represent jobless workers denied unemployment insurance benefits by the state. Steve is also a clinical assistant professor and director of the University of Michigan Law School's Unemployment Insurance Clinic. He specializes in public benefits litigation and advocacy and administrative law. As a 2008-09 Fulbright Scholar, Steve help establish a legal aid clinical program and taught at the University of Namibia Law School. Steve has worked in civil legal aid in one capacity or another since his graduation from the University of Illinois College of Law in 1987.

Claimant Anecdotes⁷

Example 1: UIA Charges Claimant with Fraud after Employer Error

Amanda Balma is a Certified Nursing Assistant who was working at a rehabilitation center in Okemos, MI. The rehabilitation center laid Amanda off in early 2014 after learning that she was pregnant and could no longer perform the heavy lifting required to care for patients. Her employer encouraged her to apply for unemployment insurance benefits. The employer characterized her separation for the unemployment insurance agency as a leave of absence as they hoped to hire Amanda back once her lifting restriction ended. Amanda applied for and received benefits without incident from March through August 2014.

Three months after her benefits ended, Amanda, now a new mother, received a notice from the unemployment insurance agency stating that she committed an intentional misrepresentation and owed over \$20,000 in fines. Her employer's well-intentioned, but mistaken, mischaracterization of the layoff as a leave of absence triggered the agency's computers to issue an automatic fraud determination. As the agency performs no due diligence, Amanda and her newborn child will start their lives together over \$20,000 in debt to the state.

Example 2: Agency Error Leads to Automatic Garnishment of Tax Refund

After losing his job in February 2014, electrician and Washtenaw county resident, Kevin Grifka applied for and received unemployment insurance benefits, before finding work in the fall of 2014. Months after his benefits ended and he had returned to work, the agency sent him a notice claiming that he owed over \$12,000. This was the first time Kevin had any indication that there was a problem; yet, the administrative hearing system denied his request for an appeal because the agency claimed Kevin did not respond on time to an initial ineligibility letter, a notice he never received.

The agency decided retroactively that Kevin was ineligible for benefits because its computer system erroneously spread his earnings over an entire quarter, including the period of time when he was unemployed and receiving benefits. A human reviewing Kevin's file would have spotted this mistake. Not recognizing the error, however, the agency's automated system went to work, totaling up the amount overpaid, plus penalties, and printing off a form letter. Perhaps the most troubling aspect of Kevin's case is that nothing prevented the agency from garnishing \$9,000 from his federal and state tax refunds as payment for its own mistakes.

Example 3: Claimant and Former Employer Disagree over the Reason for Job Loss

⁷ Examples 1-3 are taken from *Zynda et al v. Zimmer et al*, No. 2:2015cv11449 (Michigan Eastern District Court, 2015). The fourth example uses a pseudonym and is based on information provided by a claimant attorney.

Brian Saylor, a resident of Oakland County, worked for a lawn sprinkler and plumbing business in 2013, until a manager told him he was laid off with only a few days remaining in the season. After losing his job, Brian collected UI benefits for 15 weeks until he received a letter from the agency stating that he committed fraud by intentionally providing false information. The agency assessed over \$19,000 in penalties because Brian's employer claimed that he quit his job, which if true, may have made him ineligible for benefits.

Spotting the discrepancy between the claimant and employer explanations for the job loss, the agency's computer system automatically determined that Brian was ineligible for benefits and that he committed fraud. When Brian appealed, an Administrative Law Judge found no proof that Brian quit his job, reversing the agency's initial ineligibility and fraud decisions. Brian's case illustrates the clear double-standard at work. A simple discrepancy between an employer and a former employee is enough for the agency to deny benefits and, more seriously, charge claimants with fraud. When Administrative Law Judges decide for claimants, UIA does not charge the employer with fraud. Meanwhile, there is no mechanism in place to penalize UIA for leveling unjustified charges or failing to meet its burden of proof.

Example 4: Multiple Adjudication and Wrongful Partial Benefit Fraud Charges

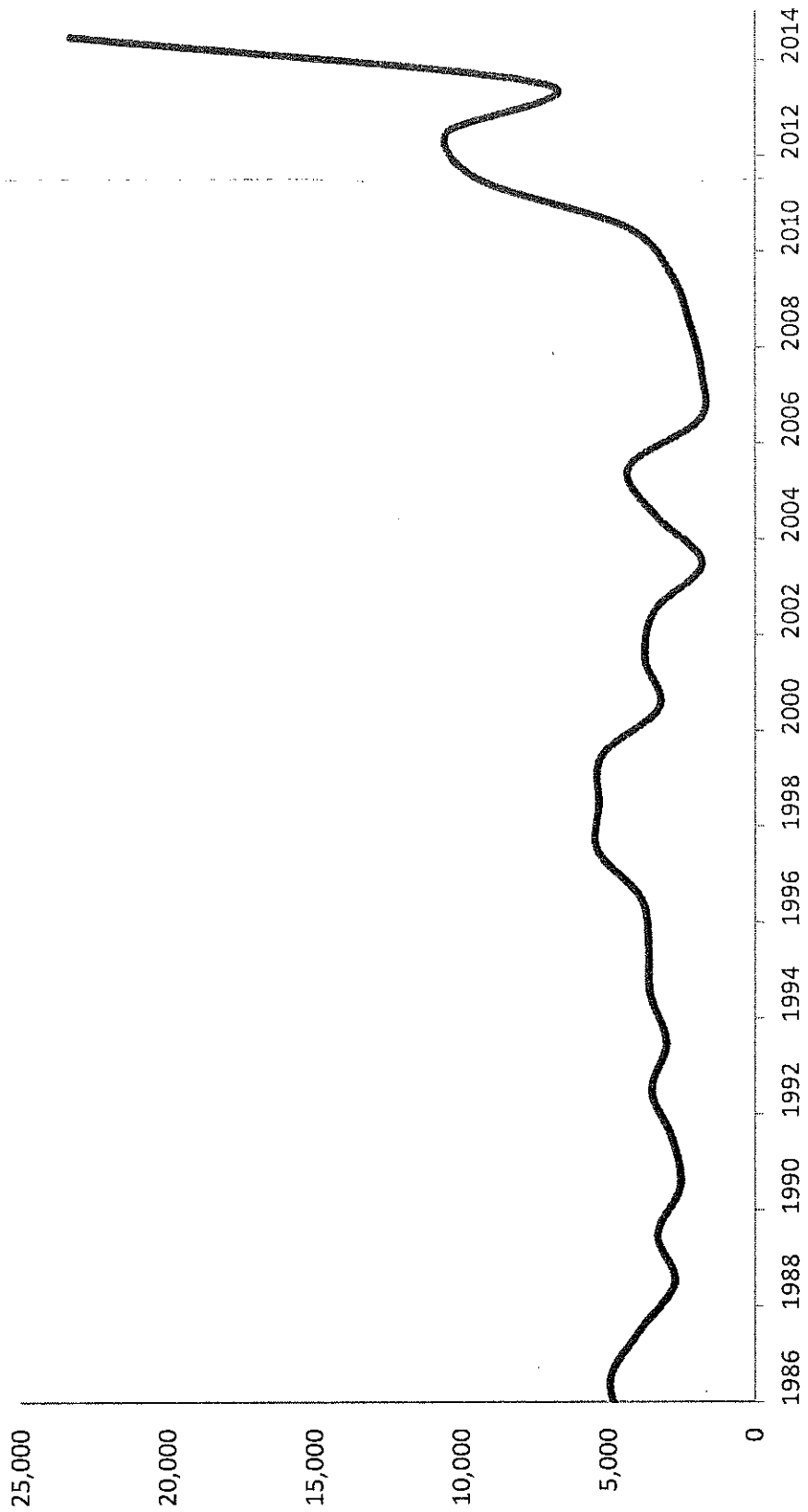
Ms. Barbara Hills started receiving UI benefits in 2009 after losing her full-time job. During the recession, Barbara struggled to find full-time employment but landed several part-time jobs that qualified her for partial benefits. She dutifully reported her wages each week and never heard from the unemployment insurance agency about any issues with her eligibility.

Imagine the shock Barbara felt when a series of determination notices began piling up in her mailbox in May and June 2014. Not only did UIA find Barbara ineligible for benefits from October 2010 to August 2013 because her wages were too high, the agency also accused her of committing fraud for misrepresenting her earnings. Between restitution and a four-times fraud penalty, Barbara owed the state over \$60,000. Over a two month period, UIA's computer system automatically mailed Barbara ten overpayment and ten fraud determinations, all for the same underlying issue. She had to protest each of these determinations separately.

As is true in nearly all robo-fraud cases, UIA was unable to provide any evidence of misrepresentation at a hearing before an Administrative Law Judge. Once the judge determined that Barbara had not committed fraud, many of the overpayment redeterminations exceeded the statute of limitations. After adjudicating the first determination, the parties agreed that Barbara did not commit fraud and did not owe anything for the expired determinations. Nonetheless, the Administrative Law Judge separately adjudicated the remaining 19 redeterminations, mindlessly reading through the instructions and procedures for each redetermination.

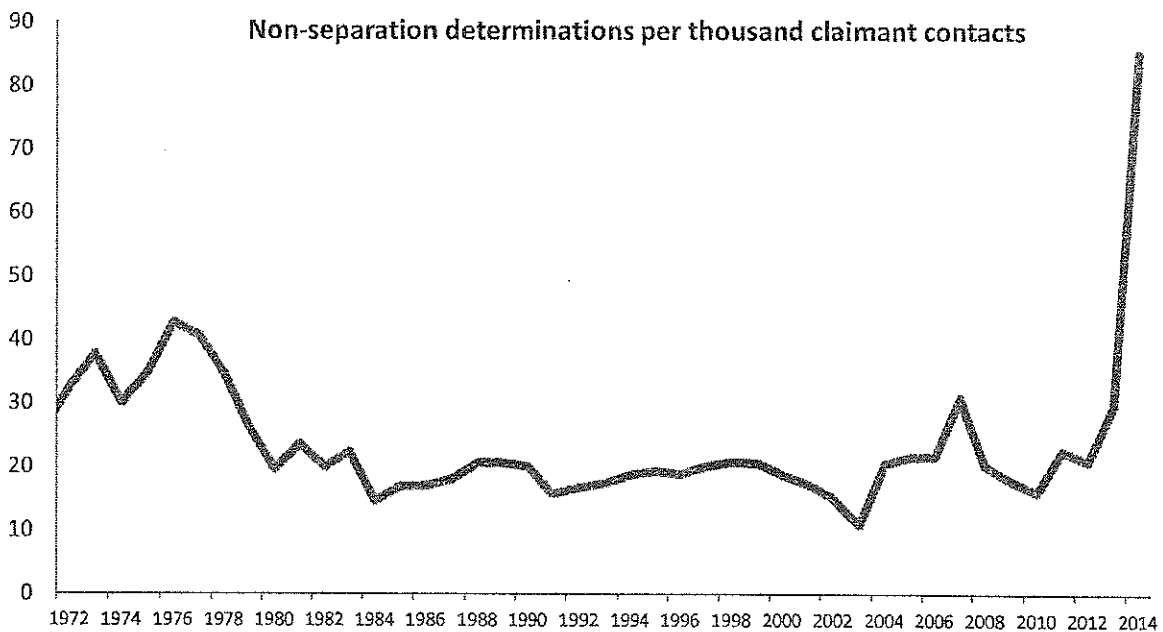
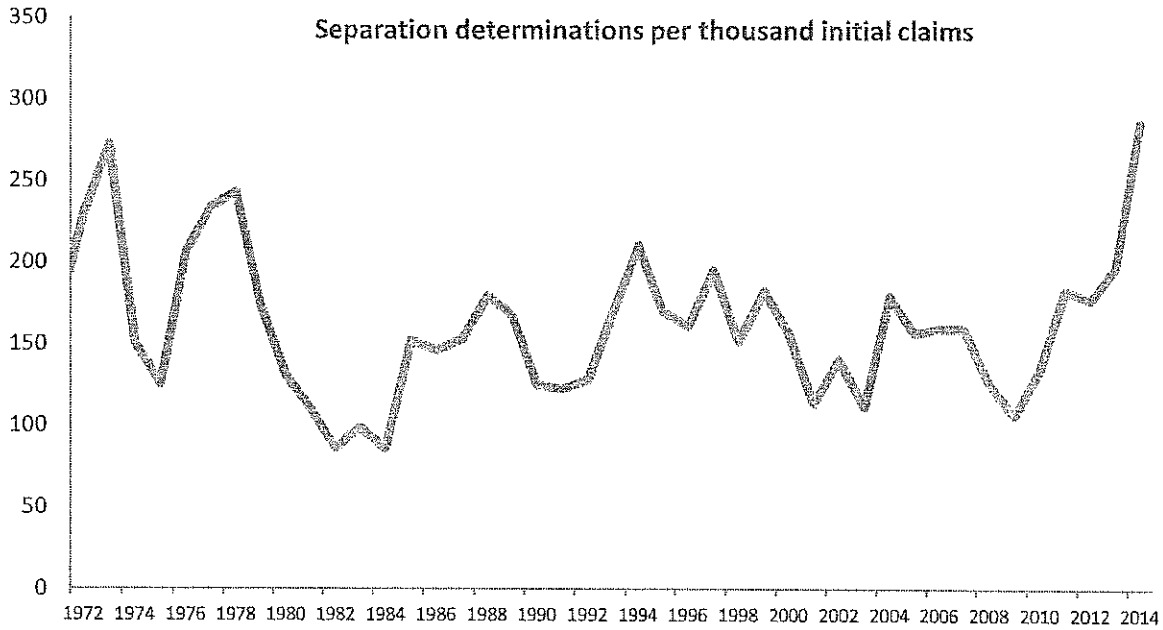
UIA's automatically generated determination notices create a great deal of confusion and frustration for claimants, in addition to wasting court resources. Had a person reviewed Barbara's case, she would have packaged the determinations together. More fundamentally, whereas the computer was unable to parse the case's underlying merits, a person may have found a better solution than flooding Barbara with letters and demanding an exorbitant penalty.

Figure 1: Number of Annual Fraud Cases Established



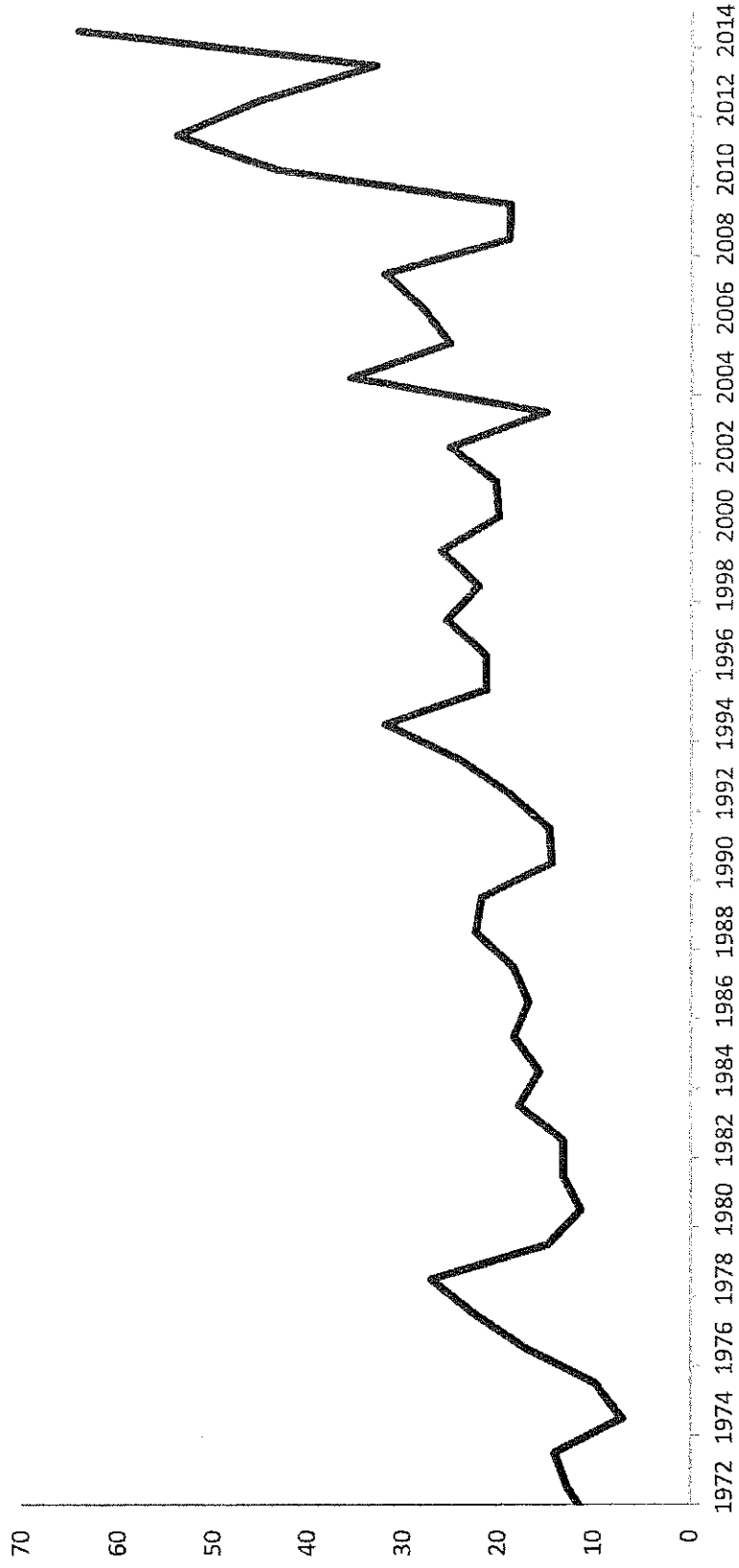
Source: Authors' analysis of U.S. Department of Labor, ETA 227, accessed 21 March 2015.

Figure 2: Annual Separation and Non-Separation Determinations



Note: Claimant contacts are initial claims plus continued claims. Charts exclude multi-claimant determinations.
Source: Authors' analysis of U.S. Department of Labor, ETA 207, accessed 21 March 2015.

Figure 3: Annual Number of Claimants Involved in Appeals per thousand Initial Claims



Note: Includes only single-claimant, lower authority appeals.
Source: Authors' analysis of U.S. Department of Labor, ETA 5130, accessed 21 March 2015.

Table 2. Michigan Non-separation and Separation Determinations and Denials

A. Non-separation Determinations								
	Initial and Continued Claims	Total Non-separation Issues	Able, Available & Actively Seeking	Disqualifying or Deductible Income	Refusal of Suitable Work	Report Require Call-ins & other	Refusal Profiling Referrals	Other (aliens, athlete, school)
2009	15,167,973	271,156	67,070	27,243	8,985	111,840	13	56,005
2010	9,229,289	148,179	45,069	10,949	4,193	61,221	8	26,739
2011	7,172,896	162,102	47,062	7,455	4,361	75,497	7	27,720
2012	6,383,148	133,626	37,823	4,438	2,369	69,748	10	19,238
2013	5,479,612	163,106	37,352	9,177	1,541	90,525	262	24,249
2014	4,964,688	422,973	69,917	43,232	3,231	166,296	478	139,819
<i>% change 2013-14</i>	<i>-9%</i>	<i>159%</i>	<i>87%</i>	<i>371%</i>	<i>110%</i>	<i>84%</i>	<i>82%</i>	<i>477%</i>

B. Separation Determinations					
	Initial Claims	Total Separation Issues	Voluntary Leaving	Discharge for Misconduct	Other
2009	1,463,878	155,630	57,050	97,819	761
2010	905,747	122,202	40,363	81,410	429
2011	768,447	140,778	51,090	89,038	650
2012	709,182	125,835	43,775	81,553	507
2013	639,539	126,292	40,918	83,419	1,955
2014	583,161	166,926	71,454	95,472	0
<i>% change 2013-14</i>	<i>-9%</i>	<i>32%</i>	<i>75%</i>	<i>14%</i>	<i>-100%</i>

C. Denial Rates			
	Total Determinations & Redeterminations	Total Determinations	Total Redeterminations
2009	53%	52%	57%
2010	53%	57%	44%
2011	59%	62%	52%
2012	62%	63%	58%
2013	64%	67%	52%
2014	57%	70%	4%

Note: Includes single-claimant totals only.
 Source: Authors' analysis of U.S. Department of Labor, ETA 207, accessed 21 March 2015.



Mail Date:
Letter ID:
CLM:
Name:

[Redacted] 1D

[Redacted]

Notice of Determination

Case Number
SSN:
Claimant

[Redacted]

BYB:
Employer Number:
Involved Employer:

[Redacted]

Issues and Sections of Michigan Employment Security Act involved: Misrepresentation and 62(b).

Your actions indicate you intentionally misled and/or concealed information to obtain benefits you were not entitled to receive.

Benefits will be terminated on any claims active on [Redacted]

You are disqualified for benefits under MES Act, Sec. 62(b). Restitution is due under MES Act, Sec. 62 (a). The wages used to establish your claim are cancelled and no further benefits will be paid based on those wages. In addition, you are required to pay the penalty assessed based on this determination under MES Act, Sec. 54(b). If the amount of restitution due is less than \$500, the penalty is double the restitution due, except that for a subsequent intentional misrepresentation the penalty amount is four times the restitution due. If the amount of restitution due is \$500 or more, the penalty is four times the restitution due.

Calculation of interest and penalty amount is shown later on this form.

If you disagree with this (re)determination, refer to "Protest Rights and Appeal Rights" on the reverse side of this form.





Mail Date: [REDACTED]
Letter ID: [REDACTED]
CLM: [REDACTED]
Name: [REDACTED]

6

Request for Information Relative to Possible Ineligibility or Disqualification

Employer Name: [REDACTED]
Employer Number: [REDACTED]
Benefit Year Begin: [REDACTED]

A question of eligibility and/or qualification has been raised on this claim. Please respond to the questions on the reverse side of this form. You should keep a copy for your records. The completed form must be received by UIA within 10 calendar days of the mail date shown. **Failure to respond to this request for information will result in issuance of a determination based on available information.**

Respond by Mail: UIA
PO Box 169
Grand Rapids MI 49501-0169
Fax: (517) 636-0427
Inquiry Line: 1-866-500-0017
TTY Customers: 1-866-366-0004

Respond online: You can submit "Request for Information Relative to Possible Ineligibility or Disqualification" responses electronically through MiWAM. To access MiWAM, go to www.michigan.gov/uia, and click on the link, "UIA Online Services for Unemployed Workers". If you already have an existing MiWAM account, log in and select "Additional Fact Finding is required for your claim". If you do not have an existing MiWAM account, you can register to create an account by selecting "Register As a New User", and follow the prompts. Online responses must be submitted within 10 calendar days of mail date shown above.

If it is determined that you intentionally made a false statement, misrepresented the facts or concealed material information to obtain benefits, then the penalty provisions of Sections 54 and 62(b) of the Michigan Employment Security Act will be applied and you would be subject to any or all of the following:

- You would have to repay money received and would have to pay a penalty of two times (if less than \$500 of improper payments) or four times (if \$500 or more of improper payments) the amount of benefits fraudulently received.
- The two times penalty would be increased to a penalty of 4 times the amount of improper payments if it were a second or subsequent offense.
- Your benefits would be stopped and you will lose remaining benefits.
- You would be required to pay court costs (if prosecuted) and fines, face jail time, or you may be required to perform community service, or all of these.
- Intentional misrepresentation to obtain benefits in excess of \$3,500 is a felony and you may be prosecuted in criminal court.





Additional information is necessary regarding Misrepresentation: Voluntary Quit/Personal Reasons.

Did you intentionally provide false information to obtain benefits you were not entitled to receive?

Yes No

Why do you believe you were entitled to benefits?

1. I needed the money
2. I had not received my payment when I reported for benefits
3. I reported the net dollar amount instead of the gross dollar amount paid
4. I did not understand how to report my earnings or separation reason
5. I thought my employer reported my earnings for me
6. Someone else certified (reported) for me
7. Someone else filed my claim for me
8. Other

You may provide a statement and evidence regarding this issue before a (re)determination is made on this matter. You must provide a response to the questions above and if you failed to previously report this information, explain why. This form must be received by the Agency within 10 calendar days of the mail date shown on page 1. Submit copies (not the originals) of any records which you believe support your position, such as pay stubs, layoff slip, federal income tax form, W-2, etc. If you require additional space, attach additional page(s). Please include your name, Claim ID and Letter ID as shown on page 1 of this form on all documents that you submit.

Certification: I certify that the information I have reported is true and correct to the best of my knowledge and belief. I understand that there are penalties of fines and/or imprisonment and/or community service for false statements as indicated on the front side of this form.

Signature

Date

Telephone Number

Print Name

Title

