California Unemployment
Fraud by the Numbers

*all data is March 2020 through January 16, 2021

Record Number of Unemployment Claims

- Nationally, states processed more than one billion unemployment claims in 2020, totaling over $500 billion in benefits.¹
- California has received the most claims of any state.²

Unemployment Fraud: A National Problem

- Unemployment systems in nearly every state have been attacked by international and national crime syndicates.³ Nationally, 35% of unemployment applications are fraudulent, according to ID.me.⁴

Fraud Prevented in California

- EDD estimates it identified and prevented up to $60 billion in fraudulent claims before being paid out.

Breaking Down the Statistics

- EDD confirmed that 9.7% of payments are fraudulent to date.

Of the confirmed fraud:
  - 95% is from the federal Pandemic Unemployment Assistance (PUA) program.
  - 5% is associated with California’s existing Unemployment Insurance (UI) program.

- EDD is investigating an additional 17% of payments made during this time as potentially fraudulent.

Combating Unemployment Benefit Fraud

- EDD and state and local agencies continue to work with a task force, led by CalOES, established to coordinate state efforts and support unemployment fraud investigations.
- California continues to partner with private sector internet security experts to prevent fraud. (ID.me, Thomson-Reuters and others)
- California is engaging with the Biden administration to fight domestic and international crime syndicates targeting our unemployment systems.

² https://tcf.org/content/data/unemployment-insurance-data-dashboard/?session=1
⁴ https://www.cnbc.com/2021/01/05/scammers-have-taken-36-billion-in-fraudulent-unemployment-payments-.html