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## **NEWS**

# **State reverses 70% of unemployment fraud cases**

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By **Emily Lawler | [elawler@mlive.com](mailto:elawler@mlive.com)**

LANSING, MI - Under new management, the state's Unemployment Insurance Agency has completed a review of unemployment fraud findings between Oct. 2013 and Aug. 2015, when a state computer system was incorrectly flagging people for fraud.

People flagged as fraudsters were assessed 400 percent fines and saw things like wage garnishments or the seizure of tax returns if they didn't pay.

The state reviewed a total of 62,784 cases in which people were assessed a fraud penalty and did not seek an appeal. Of those, 40,195 were originally resolved by the computer program alone, and 22,589 had some level of human involvement.

Of the cases judged solely by the computer program, the state reversed 34,018, or about 85 percent of the computer program's decisions. Of the cases with some human involvement, the state reversed about 44 percent, or 9,910 of the decisions.

In total, 43,928 of the 62,784 cases, or 70 percent, were overturned.

All reviewed cases represented 49,910 people, as some people had multiple cases.

The agency is in the process of refunding \$20.8 million to residents who had their fraud determination reversed.

The agency has also made changes to improve the unemployment system.

"We took action after a hard look at every aspect of Unemployment Insurance, fixing the problems with guidance from national experts, people who use our system and our own staff who work with our residents each day," said Wanda M. Stokes, director of the Talent Investment Agency, which oversees the Unemployment Insurance Agency.

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"Our top priority is helping our state residents, making sure they are treated fairly and get the benefits they need during a stressful time. Our initial focus was on a painstaking review of all the cases in question so we have the clearest picture of what we have to do to make things right and restore public trust in the system," Stokes said.

She said she appreciated U.S. Rep. Sander Levin, D-Royal Oak, and state lawmakers calling attention to the problem.

*Note: These numbers have been updated based on new information provided by the Talent Investment agency.*

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