

Comments before the House Commerce Committee Employer Update on the state of the Kansas Unemployment Insurance Program Ami DeLacerda Director of Human Resources, Harper County, Kansas February 4, 2021

Chairman Tarwater and honorable committee members,

My name is Ami DeLacerda, and I am the Director of Human Resources for Harper County, Kansas. We are a rural county in South Central Kansas, located on the Kansas and Oklahoma border. We, along with the rest of the nation, have been inundated with fraudulent unemployment claims, with almost 40% of our employees being affected to date, as well as several retirees and past employees.

When receiving an alert of separation request through the SIDES E-Response website, my process is as follows:

- 1. I complete the Employer Information Request form, adding the requested dates and indicating that the employee is "Still Employed, Full Time" using the drop down list provided in the form.
- 2. I add a note in the "Additional Separation Information" area of the form, stating "This individual is employed full time with Harper County, Kansas and did not file this claim for unemployment benefits. This is a FRAUDULENT claim."
- 3. I submit the form.
- 4. I then go to the fraudreport.ks.gov website and, as an Employer, use the form provided to report the fraud.
- 5. I send a letter to the employee, notifying them of the fraud, and include the document provided by the Kansas SHRM Chapter which outlines steps to take if your identity has been compromised. One of these steps is for the individual to report the fraud on the KDOL website, fraudreport.ks.gov.

Unfortunately, identity theft has become commonplace in the United States, and I am aware that unemployment fraud is currently an issue every State is fighting, not just Kansas. I was, however, surprised and frustrated when I personally received a 1099 from the State of Kansas Department of Labor for unemployment compensation in the amount of \$503.00 that I did not request, nor receive.

I was notified of the initial separation request for myself through the SIDES E-Response website, and responded as previously mentioned, within the time frame required. Not only did I report the fraud as both an employer and an individual, I completed and submitted the employer questionnaire. Based on

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the answers provided in the questionnaire alone, the claim should have been denied, or, at the very least flagged for review.

Over 1/3 of my employees have been affected by this, and I am grateful to be representing a small county, because some of my counterparts in other industries and municipalities have been dealing with hundreds of these claims. I do continue to have employees in my office each day, concerned because although they followed the recommended steps, reported the claim as fraudulent, and even received police report case numbers, they also received 1099 forms, which indicate they will be expected to pay taxes on money they neither requested or received. This after I assured them that it would not be an issue, because we were following the guidelines.

I realize that this is a situation no one was prepared for, and I do not envy you this responsibility. I just feel that it is important that you know the impact of these oversights on real people.

Thank you for your time, and the opportunity to speak with you.

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