

February 2, 2021

To whom it may concern,

I would like to report a high number of fraudulent unemployment claims for my employees over the past few weeks. I received notice of the first fraudulent claim about two months ago. In the past few weeks, I have received eight fraudulent claims. I also received two claims for past employees, I was very hesitant to complete the claims not knowing if they were legitimate or fraudulent claims. On a personal note, I was one of the eight employees that had a fraudulent claim filed. This weekend I received another notice for myself at my home address, but the social security number was incorrect.

Please let me know if you would like any other information or if I can help this case in anyway. This is very discerning for me as an employer and my employees.

Best regards,

Amy Donnelly  
Director of Human Resources  
Spray Equipment & Service Center



House Committee on Commerce, Labor and Economic Development  
Testimony Regarding Kansas Department of Labor  
Presented by Amy Knoch, Executive Vice President of Human Resources

Tuesday, February 2, 2021

Mister Chairman and members of the committee, my name is Amy Knoch, Executive Vice President of Human Resources for Blish-Mize Co. We are a 150-year-old regional hardware distributor located in Atchison, KS. We appreciate the opportunity to testify regarding the difficulties our company has experienced with the Kansas Department of Labor during the past year.

In early spring of 2020, we began having concerns over incorrect examiner determinations being issued by the Kansas Department of Labor. In March of 2020, we had an employee fail a random drug screen and test positive for cocaine. Per company policy, he was offered the opportunity to participate in a drug treatment program and keep his job, but he declined and resigned his position instead. When we received the unemployment claim, we submitted all of this documentation in the SIDES employer response system. Shortly thereafter, we received a response stating that the employee "left work due to COVID-19" and he was awarded unemployment and it would be chargeable to our company. We were forced to file an appeal and have a hearing. During the telephone hearing on 7/17/20, the KDOL's phone system was not working properly and it disconnected repeatedly during the call. After having to call us back numerous times, on numerous phones, trying both of our cell phones, the hearing official ask us to reschedule the hearing for another day. On the second day of the hearing, 7/21/20, we were required to repeat all of the evidence of the first day over again. Eventually, following hours of wasted time for our company, the hearing referee ruled that the initial determination was "obviously incorrect" and the determination was reversed in our favor. While the right outcome eventually prevailed, it was not without significant effort on our part and all because an incorrect examiners determination was made initially.

Shortly thereafter, we had a similar issue with another claim. An individual left work voluntarily to stay at home with her children and start an "in-home daycare" business. The employee provided a two-week written notice of her intent to resign. The examiners determination was "left for a compelling personal emergency". There was no evidence whatsoever of a compelling personal emergency. The employee was awarded unemployment chargeable to our account. We were again forced to file an appeal. At the beginning of the call, we were notified that we had not responded timely and the first issue to be decided was whether or not the employer could even participate in the hearing as a result. We had responded the very day we received the claim and thankfully had printed the confirmation number for it. Why did the state not have our response when we had a printed confirmation from their system? Why did the state's appeal notice not mention an issue concerning the employer failing to respond so that we could be prepared to address this issue at the hearing? Further, the hearing referee was not able to use our submission confirmation number as proof that we had responded.

Every time we are forced to have a hearing, we must gather witnesses for testimony and it takes a significant amount of time for which there is an associated cost. While this is to be expected on occasion, it should not be required for every claim. It is a burden on employers when all of the information is provided in the SIDES response system at the onset of the claim. The KDOL has a pattern of being remiss and negligent in their consideration of employer responses.

Another significant burden for employers is the need to repeatedly supply the same information over and over to the DOL. When an employee terminates employment, employers are sent an initial request for separation information and required to complete it at that time. Continual requests for the exact same information are sent for 1-2 years following this. All of the dates, wages, associated warning letters,

documentation, and completed separation details must be resubmitted multiple times. An employer should never have to provide the same information to them more than once.

In September of 2020, our company was so frustrated by the multitude of issues with the KDOL that we wrote a letter to Senator Dennis Pyle and State Representative John Eplee to express our concerns. This letter was forwarded to the KDOL. This eventually generated a courtesy phone call with Acting Secretary Ryan Wright, Deputy Secretaries Brett Flachsbarth and Peter Brady, as well as Julie Menghini, Government Affairs Director. We participated in a zoom/phone call so that I could voice the concerns and frustrations over these and other issues. During the call, Acting Secretary Wright asked me to provide them with the details, docket numbers, names, and dates, assuring me that they would investigate and respond to all of our issues. I provided all of the requested information. However, all I received in response was a brief follow-up email from Julie Menghini that didn't address any of the issues specifically. Her response just broadly said they were following protocols and to let them know if we have any further questions.

The fraudulent unemployment claims have been especially problematic for both Kansas employers and employees. While the problem isn't the fault of the KDOL, they have done a terrible job of responding to the situation. It was months into the problem before any information was put out to employers or the general public to alert them to the magnitude of the situation. Knowledge would have been helpful early on with this problem.

Our company is small enough that we recognize every name that comes across and can immediately tell if the claim is legitimate or fraudulent. We have been vigilant in responding immediately to every fraudulent claim the same day we receive it. Not only have we followed their process in "Reporting Fraud" on their website, but we also complete the information in the SIDES employer response system on every claim. We cannot understand how so many fraudulent claims are getting through the system and getting paid when the KDOL has been notified immediately of the fraud and has even issued a case number on it. If the KDOL has been notified that a claim is fraud, they should be held accountable when they pay benefits anyway. Many of our employees have received 1099-G's for benefits never received and are frustrated beyond measure with the incompetence of the KDOL.

On January 28<sup>th</sup>, the KDOL put out two different phone numbers for the masses of individuals who have received 1099-G's in error to call to report. I have several employees, already angry because of the whole system that has failed them, that now cannot get through to these numbers. It is one failure after another by the KDOL.

The Kansas Department of Labor is supposed to operate in partnership with Kansas employers. In nearly all of our transactions and communications with them, they have proven to be unreliable and inefficient. This agency needs reform to include accountability for their failures.

Thank you.

Hello,

We are a landscaping company located in Salina with approximately 50 employees when we are fully staffed in the summer. Off season, we staff 20 employees.

We have had five fraudulent unemployment filings for currently employed staff members and one for a person who never worked for us.

The employee claims have been reported by us on [fraudreport.ks.gov](http://fraudreport.ks.gov). Not one of us has received follow up contact from the state or the police.

Because of this rampant fraud, I have had to personally contact each person that was laid off for the winter to verify when they filed their unemployment claim. This was to ensure that the claims filed were legitimate.

For all claims found to be fraud, I relayed information posted on the fraud and KDOL websites to each employee and hoped for it to be sufficient action on our part

Since there was awareness of this fraud very early on in the pandemic, I would have hoped for better guidance from KDOL. The notice to use the [reportfraud.ks.gov](http://reportfraud.ks.gov) site came very late and additional information for employers to give to employees would have been helpful. Most of our targeted employees never received paper notices at their home addresses, so unless an employer tells an employee that they were a fraud target, they may never know that this fraud occurred.

And none of this takes into account whatever financial burden will be on our shoulders once the fraudulent claims are pulled into our benefit charges to calculate the next year's rating. This could be extremely detrimental for any small business – and more so with the ongoing COVID struggles.

Thank you for listening to the issues regarding the impact to employers of unemployment fraud.

**Bridget Long**  
Special Projects Coordinator  
Landscape Consultants LLC  
1777 E Old Hwy 40  
New Cambria, KS 67470  
P: 785-822-6540  
F: 785-822-6542



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## CITY of LIBERAL

P.O. Box 2199 • Liberal, Kansas 67905-2199

To Who It May Concern:

February 2, 2021

RE: Fraudulent Unemployment Claims

The City of Liberal has approximately 50 unemployment fraud claims that we are aware of. The claims have been turned into us by the current employees who receive notice.

We received notice from a current employee that he received a 1099-G which indicated \$2,012.00 was paid to this employee in unemployment. This is a fraud situation.

I have no idea what the total payout from the City of Liberal will be for 2020 / 21 year?

Bruce Whittington

A handwritten signature in black ink, appearing to read "Bruce Whittington". The signature is stylized and cursive, with a long horizontal line extending from the end.

Director of Human Resources

The City of



1609 E. Central Ave.  
P.O. Box 295  
Andover, Kansas 67002

Phone (316) 733-1303  
Fax (316) 733-4634  
www.andoverks.com

February 2, 2021

KS State SHRM  
825 S Kansas, suite 502  
Topeka, KS 66612

To Whom It May Concern,

Thank you for allowing me to submit testimony regarding the City of Andover's experience and estimated fraudulent charges that could have been charged to our UI account. To date, the City of Andover has been notified of 48 fraudulent Unemployment Claims made in the names of current or former employees. The potential charges add up to over a half million dollars (\$527,079)! While we are larger than many cities and employers across Kansas, our Full Time Employee Count resides right around 100. This means nearly half of our employees have had a claim made in their name.

We appreciate anything that can be done by the State Legislature to help protect not just the employers, but more importantly the victim employees. As an employer, rampant Unemployment Fraud has created additional workload to ensure each claim received is responded to in a timely manner and the employee/former employee is notified of the fraudulent claim. The employees are hassled by needing to report on various websites to ensure their identity is not stolen and misused further, which also creates considerable stress and concern. Based on employee feedback, this situation is creating mistrust in employees who don't know who to blame: their employer, the state, a credit card company or lending provider.

Thank you for your consideration and any assistance you can provide.

Sincerely,

A handwritten signature in cursive script that reads 'Chasity Page'.

Chasity Page, SHRM-CP  
Director of Human Resources  
City of Andover, KS



# CITY OF FORT SCOTT, KANSAS 66701

ESTABLISHED IN 1842<sup>®</sup>

February 2, 2021

RE: Kansas Unemployment Fraud

Honorable Members of Kansas State House and Senate:

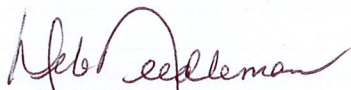
I have received 30 fraudulent unemployment claims since mid December. I had a handful of them going back to April but there was a very definite increase in mid December. My frustration is that even though we are reporting these as fraud, they are still being processed as valid claims. When I respond to the claim, I state in the Employer response that the claim is fraudulent. I then go out to the Kansas DOL website and report it as fraud. I ask the employee to go online to the Kansas DOL website and also report it as fraud.

One employee told me he was contacted by someone else who lives in our town who told the employee he had received an unemployment benefit card for our employee at their address.....but that individual had not filed the fraudulent claim.

I have had two claims filed on behalf of myself. I reported the first one as fraud, got my notification with the case number and have been monitoring my accounts for fraud. Several weeks later I got a letter from Kansas DOL unemployment advising that based on my most recent weekly claim filing, I had reported that I could not work due to health issues. I immediately wrote to the DOL that I had reported this claim as fraudulent when the claim was originally filed and that I had not been filing weekly claims. The next week I received an employer notice of a new unemployment claim being filed on me. I again reported it as fraudulent.

One thing of note is that several of the claims on females are filed under a prior last name and it is not a name they have used while employed with us. Also, claims filed on employees who use a nickname or go by their middle name, the claims are filed in those names rather than their "legal" name. This tells me that our HR system has not been hacked as those names are not in our HRIS system. I wish I knew what system was hacked to get the SS#.

My biggest frustration is why these claims continue to be processed when we report them as fraud. They should be stopped. Maybe then the fraudulent filings would stop.



Deb Needleman, SPHR  
Human Resource Director



February 1, 2021

Dear Phil,

This is Ellen Bishop and I'm employed by Presbyterian Manors of Mid-America (PMMA) a not for profit senior living and healthcare organization. I couldn't get the UI Fraud Experience link to work, so thought I'd just send you an email.

The UI Fraud has become a growing problem. Presently, PMMA has approximately 1,800 employees in Kansas. The fraud claims are being sent to us on a daily basis and at this time, we have received a total of 205 fraud claims. As a healthcare organization, these fraud claims are taking valuable time from our payroll staff to determine the location of each employee, contact the employee, have the employee complete the information on the fraud website, and then notify the State of Kansas the claim is fraud. The State of Kansas should correct the problem, but I'm not sure that is being done. Below is why I think this:

PMMA just received our quarterly unemployment statements. On the statement are 51 fraud claims that were reported to the state prior to receiving this current unemployment claim. The dollar amount for these claims is \$55,230.99. As a not for profit organization, this amount is a lot of money!

Today, I am receiving calls and emails that those employees who had a fraud claim are now receiving 1099-G tax notices from the State of Kansas. When in fact, the employees never received the unemployment funds, we informed the state of the fraud claims, and now we have concerns about who actually did receive the unemployment claims.

This is a very serious problem that seems to be continuously growing with no end in sight. If I can provide additional information, please let me know. Good luck on Wednesday as something needs to be figured out!

Best regards,

Ellen Bishop, BS, MHCL  
Sr. Regional HR Director  
Presbyterian Manors of Mid-America  
316-685-1100 x1232  
316-304-4487

***Just ask. Together we'll find the answers.***





# Doug Bradley Trucking, Inc.

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680 E. Water Well Rd.  
Salina, KS 67401  
(785) 826-9681  
(800) 348-1955

1301 W. Main St.  
Marshall, MN 56258  
(507) 532-9681  
(800) 248-1000

151 Dozer Drive  
Walton, KY 41094  
(859) 282-9681  
(800) 468-4995

170 Industrial Park Rd  
Jackson, MN 56413  
(507) 849-7500  
(866) 577-2248

February 1, 2021

Kansas Unemployment Insurance issues

To whom it may concern,

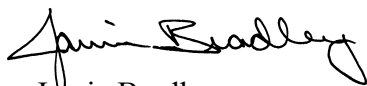
In the last 6 months I have seen serious issues with the Kansas Unemployment Insurance program. Through the UI Sides platform, I am able to see all claims filed within the last 60 days. Currently I have 30 claims listed there. In total, I estimate that our company has experienced approximately 50 fraudulent claims in that last 6 months. The frightening portion of this fact is that 50 claims is nearly half of my total number of employees in Kansas. With the high number of fraudulent claims we are experiencing, I was worried that our companies record keeping systems had been breached, however if that was the case, I would expect that I would be seeing fraudulent claims for our employees in other states. To this point, we have not received any fraudulent claims in any state other than Kansas.

I recently had a hearing for an appeal I filed. An employee was allowed benefits due to our not filing a "timely and complete employers response." During appeal the judge reviewed my responses (which I competed online through the UI Sides system) and determined that my response was clearly filed on time and completely. The judge overturned the earlier decision. My concern is.... How on earth did they reach the initial decision that them former employee was allowed benefits due to an untimely of incomplete response. My opinion..... nobody ever even looked at the case. Somebody has a rubber stamp that says "Benefits Approved" and they are stamping as quickly as they can.

Today I experienced two new disturbing events from KS Unemployment. First, I had an employee bring in a Form 1099 from KS Department of Labor showing their "Earnings" from unemployment benefits they never received and which we had reported as fraudulent. The second event was when I received a SECOND fraudulent claim for a single employee.

The Kansas Unemployment system is broken.

Yours,



Jamie Bradley  
President, Doug Bradley Trucking, Inc.



RE: Unemployment Fraud Concerns:

This entire unemployment debacle has been a big headache and VERY time consuming at Sharpline. From receiving notices, filing UI responses, filing fraud reports, printing off reports, going over with employees. They are confused and don't understand. Also, having calls come in from upset spouses when their wives go home with the fraud report and police case number. Very concerning for all of us who have fraudulent claims filed with our information.

Late April/Early May I had contacted the unemployment office because we were receiving tons on unemployment notices thru ksdolsides. They were for employees that had left Sharpline some time ago for another job, etc. when the market was strong and aircraft was hiring. I responded appropriately that they had left voluntarily for what reason, notice of resignation dates, term dates, etc. We were receiving determinations stating they had been approved. I contacted them by email regarding my concern for fraud and potential charges to Sharpline and with them processing approvals prior to employer response, it opens the door for fraudulent claims. I received a response saying they are paying all claims that come in as if they were all covid approved and they will deal with fraud when this is over. Once it is over, you will never be able to get the money back.

Mid-summer to current I have received 48 fraudulent claims for current full-time employees here at our Wichita facility (of 300 employees). Most were for those of us who have been at Sharpline a long long time. More recently on employees hired within the past 4 years. I filed the unemployment responses thru Sides stating they are still employed full time and this is fraudulent and filed a fraud report for each one of them within a day of receiving notification that someone has filed against us on Sides. Early on I also noted we were only closed for three weeks and paid employees full wages during that 3 week shutdown. All others I have put we have had no laid off or lack of work employees.

Lately we aren't even getting notifications for claims. I just see them in Sides. I called and got moved around to different people and sent an email. Absolutely no response from them on why we aren't being informed of potential claims.

Since mid-May we no longer receive determinations on any actual or fraudulent unemployment claims. In addition to the above, I also have approximately 40 files pulled of ex-employees that may or may not have filed for unemployment with no determination notices sent to me after I responded as to why they are no longer at Sharpline thru Sides.

If the known 48 fraudulent claims and possibly all 40 ex-Sharpline employee claims are all paid even just one week of unemployment. That cost would be HUGE. Many of the 48 are in the management ranks so that would be at max rate. 88 claims multiplied by the average weekly benefit amount of \$358.22 = \$31,523.36. That is just one week. Then there is the federal money that kicked in. What has been paid out.

Concern: since most claims have come in from the fall thru last week – how is that going to impact our unemployment rate?



Over the weekend and yesterday I now have employees informing me they received 1099's for unemployment money they did not receive that we responded to as fraudulent thru the unemployment and the fraud site. Now we start all over again having to give them directions to get the wrong 1099's fixed. Most we will have to help them with while here at work since they don't have computers at home and are not tech savvy. Why if the claims were filed as fraud would 1099's be issued.

The concern is also for those fraudulent claims received this year – having problems next year at tax time. Will support still be there to help people out next year when 1099's are sent for the fraudulent claims.

My Mom who is 82 received a determination from KDOL this weekend that she is not qualified for unemployment since she has no recent work history. So even seniors are being hit. One of our employees husband died 18 years ago and she got a determination on him this weekend.

Early on I did let them know on some of the fraudulent claims that they were coming in on names they had 10-15 years ago (women who are now married with a different name).

We as an employer have not received any word on where the breach is coming from, etc. The only information we received from them was a letter dated December 28<sup>th</sup> notifying us that fraud may be affecting our employees. Seriously, we have been dealing with it since summer and this was the first communication they had with KS employers. We know the breach is not our system as we had everything tested for breaches when this first started.

The very first fraudulent claim I received was on our Owner, Jack Snyder. The second was for his wife who has not worked at Sharpline for 30+ years.

Very very frustrating, time consuming for employers and confusing for employees. At some point we look at it as Kdol's fault with the way they were handling claims early on allowing fraudulent and easy money claims to go thru. Plus with all the extensions and federal money made it even more lucrative due to those errors. Very very costly to the entire state of Kansas. How do you make that money up? They are on the news and media all the time stating they stopped 250,000 claims from going thru. NOOOOO, employers and employees are the ones trying to stop the claims. Both employers and employees are left hanging with our information out there being used by thieves. KDOL should at this point be paying employers for the time spent on the mishandling of claims and the waste of taxpayer dollars. Not sure what is happening in their offices and all the added staff.

We have a handful of employees in Indiana and Florida and a few sales reps in other states (30 total outside of KS). Kansas is the only state I have received fraudulent claims on.

Sorry, just rattled. Please ignore the sentence structure errors, etc. My time is short due to a lot of time and energy with having to go to dealing with unemployment fraud and covid all year. Thanks!

**Sharpline Converting, Inc.**

A handwritten signature in blue ink, appearing to read "Janet Tamamny", is written over a light blue circular graphic element.

Janet Tamamny  
Human Resources Manager



*Serving Kansas  
Since 1960*

February 1, 2021

Re: Kansas Department of Labor  
Topeka KS 67401  
Kansas UI Fraud

To whom it may concern:

The purpose of this letter is to report some of the concerns and issues that our company has experienced with Kansas Unemployment Fraud claims. Since the middle of 2020, Ka-Comm.,Inc has received numerous UI fraudulent claims. Our company has 43 employees and I have responded to the following:

- 18 Fraudulent claims filed on behalf of current employees (estimated pay out \$177k+if not caught)
- 1 Fraudulent claim on a separated employee who didn't file
- 2 Fraudulent claims filed on the same employee
- 2 Fraudulent claims using employee information but filing for PUI benefits as an independent contractor

I personally received a fraudulent claim on myself that was not sent to the employer. These claims not only take my time to process, but employees are having to file reports in order to obtain a case number. Today, two employees received notices (1099G) that benefits were paid out on their information. These are two employees we responded immediately on that the claims were fraud. I am unsure why the state still paid out on them? Total was \$1509.00 and \$178.00.

It has been helpful knowing that the system appears to be getting an upgrade to verify identity before sending out payments. I understand filing for UI benefits and receiving them late can create family hardships. The influx of false claims, combined with an outdated electronic system, is an even bigger problem.

Respectfully,

*Jim W Raubenstine*

Jim W. Raubenstine  
Human Resource Manager  
Ka-Comm.,Inc.

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# Wesley Towers

RETIREMENT COMMUNITY  
*"Our People Make the Difference"*

February 1, 2021

Kansas Legislators

To Whom It May Concern:

This letter is to voice my concerns for the fraudulent unemployment claims that our company has received over the past nine months. We are a Reimbursing Employer, so when we started receiving unemployment claims in April 2020, I responded to the claims as usual but did not report them as fraudulent. As time went on I started seeing the numbers rise and also claims for our current employees.

As of the present day, Wesley Towers has received a total of 61 fraudulent claims. On the quarterly statement of benefits charges for the third quarter, there were 17 names on the list, with 12 out of the 17 being reported as fraudulent. On the statement for the fourth quarter, 21 names are on the statement, with 9 names turned in as fraudulent. There were also 2 additional names that appeared on the list but I was never notified an initial claim was filed. The other names on the statement were for claimed I had filed early on but then later determined those to also be fraudulent.

These fraudulent claims have such a financial impact to our organization because as a Reimbursing Employer, we are required to pay the claims regardless of them being fraudulent.

I am thankful the Kansas Legislators are looking into this catastrophic situation and hope this letter is helpful. If you have any questions, please call me at 620-694-1207 between the hours of 8:00 a.m. – 5:00 p.m. Monday through Friday.

Sincerely,

Karen Reade, PHR  
Vice President of Human Resources

**700 Monterey Place - Hutchinson, Kansas 67502**  
**620/663-9175 - Fax 620/663-2961**



February 2, 2021

Kansas SHRM

Re: Unemployment Fraud Impact Statement

To Whom This May Concern:

Leading Technology Composites' Custer location has been notified of 35 claims for active employees who did not file unemployment claims in 2020 and 2021. We also received 18 claims for individuals who have never worked for our company in any capacity. This number is significant, as our average headcount during this timeframe was only 165.

The effect it is having on our employees is significant in some cases:

- We had an employee who lost her husband (also our employee) in a tragic accident. While she was on leave for bereavement, she received a notice that she had filed an unemployment claim. English is not her first (or second) language, so our grieving employee thought that we terminated her while she was on leave. To add insult to injury, she also received a claim for her deceased husband. This caused so much unnecessary heartache and tears for an already upset employee.
- Another employee who had someone try to take out a credit card and loan using her information. She has not had identity theft issues until this happened.

The impact it is having on other employees in an already stressful time is not to be overlooked either. With layoffs and a tumultuous industry, every employee receiving an unemployment claim has been concerned.

Thank you for your attention to this matter and the effect it is having on our employees and our Company.

Sincerely,

Katie Gough  
Human Resources Administrator  
316-942-3208 x6960  
kgough@ltc-ltc.com



## **P1 Group, Inc.**

13605 W. 96TH TERR.

LENEXA, KS 66215

P: 913.529.5000 www.p1group.com

January 29, 2021

To KS SHRM:

P1 Group has received numerous Fraudulent Unemployment Claims through SIDES since July of 2020. We have received to date 134 Fraud Claims. A few fraud claims were brought to our attention by employees themselves, who received a letter in the mail. At least one fraudulent claim was on a deceased former employee.

Our company has notified employees who are recipients of fraudulent claims and we did our best to contact former employees as well. All claims were reported by email to [KDOL.Fraud@ks.gov](mailto:KDOL.Fraud@ks.gov) and the employees reported the claims on the website [ReportFraud@ks.gov](http://ReportFraud@ks.gov).

The high number of these fraudulent claims has significantly increased the time we spend on unemployment claims.

Please contact P1 Group HR with any questions.

Cordially,

### **Kristi Pleasant**

Human Resources Coordinator

**P1 Group, Inc.** | 13605 W. 96<sup>th</sup> Terrace | Lenexa, KS 66215

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[www.p1group.com](http://www.p1group.com)

(P) 913.529.5000

(D) 913.275.5675



To Whom It May Concern:

The unemployment fraud is out of control and a nightmare. We have 36 cases that I have reported to KDOL and employees have received police report case numbers, but we have only received 1 determination letter (which was for a name that wasn't one of our employees, but the last four of the social security number matched an employee's and it was marked ineligible). I have tried calling KDOL and to chat online, to get no resolve. Employees have called all the different numbers and get nowhere, most of the time don't even get to talk to anyone. Some employees have gotten notices at home and we the employer haven't gotten an Employer Notice, some we have gotten Employer Notices, but employee doesn't receive anything at home, some work for 2 of our companies and have gotten letters for both companies. Employees are receiving 1099's at home and worried how this will affect them. The number to call KDOL Unemployment Tax-Related Call Center at 785-291-6059 is already overloaded. Employees tried to call and went through all the prompts only to get disconnected. Employees and I are very frustrated and upset with KDOL.

Sincerely,

A handwritten signature in black ink, appearing to read 'Linda K. Dressman', is written over a light blue horizontal line.

Linda K. Dressman  
Human Resources Director  
785-562-5106 Ext 221  
785-337-9012 (direct)  
[linda@valleyvet.com](mailto:linda@valleyvet.com)



# NORTHEAST KANSAS LIBRARY SYSTEM

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February 1, 2021

Bright & Carpenter Consulting, Inc.  
825 S. Kansas, Suite 502C  
Topeka, KS 66612

RE: Fraudulent Unemployment Claims

Dear Sir/Madam,

Per an email from KS SHRM dated 1/29/21 regarding "Action Alert on UI Fraud", I am providing the following information on the Fraudulent Unemployment Claims filed under some of our employees' names:

- We are a small office of 10 employees
- We have had a total of 5 claims filed under the names of 4 of our employees as of 2/1/2021
- According to the "Notice of Initial Claim and Potential Benefit Charge" notices that we received, the total "Potential Account Charge" for all five claims is \$49,530

I hope this information is helpful.

Sincerely,

*Lisa Miller*

Lisa Miller  
Financial Manager

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Healthy Minds. Healthy Lives. Healthy Communities.

February 1st, 2021

RE: Unemployment Fraud

To Whom it May Concern,

This letter is to serve as a summary of the unemployment fraud we have experienced at our agency. Our employee count is 194 employees. We have received 63 fraudulent claims for current employees as well as fake names using a current employees social security number.

I also just sent in an appeal for claims that were paid after I reported them as fraudulent in the amount of \$7847.50.

Sincerely,



Maria Cabral  
Human Resources Generalist  
Compass Behavioral Health  
P.O. Box 853  
Garden City, KS 67846  
620-260-9403 w  
620-272-0171 f

# **Bostater Realty Partners, LLC**

Bostater Realty Partners, LLC  
200 S Santa Fe Ave Suite #7  
Salina, Ks. 67401  
785-825-2199 office

Dear Legislators, I understand you are reviewing the current problems with Unemployment Insurance fraud in Kansas. We are a small Kansas family business, and as such our ONLY employees are immediate family members. Over the past 3 months we have had fake UI claims against 2 of the 5 employees on payroll.

Mike Bostater  
Bostater Realty Partners LLC  
200 S Santa Fe Ave  
Salina KS

DEPARTMENT OF HUMAN RESOURCES  
Natalie Fischer  
Human Resources Director  
300 West Ash · P.O. Box 736  
Salina, Kansas 67402-0736



TELEPHONE · (785) 309-5710  
FAX · (785) 309-5711  
TDD · (785) 309-5747  
E-MAIL · [natalie.fischer@salina.org](mailto:natalie.fischer@salina.org)  
WEBSITE · [www.salina-ks.gov](http://www.salina-ks.gov)

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February 2, 2021

RE: Kansas Unemployment

Dear Kansas Legislators,

On behalf of my organization and our employees, I would like to express frustration and concern about the fraudulent claims that our great state continues to experience. I am unable to provide a total of how many we have received, but we process at least a few every week and this has been the norm for several months. Employees frequently ask our department “How?”, “How did they get my information?”, and “How are they not catching the people doing this?”.

I am appreciative that the Kansas Legislature is considering taking action in some form. I would strongly encourage that the Kansas Department of Labor consider changes to the order of operations with claims payments. With such a large volume of fraudulent claims being filed, why would any funds be made available prior to verifying and validating through employer and employee responses?

Thank you for looking into this very important matter.

Sincerely,

A handwritten signature in cursive script that reads "Natalie Fischer".

Natalie Fischer  
Director of Human Resources





Good afternoon –

I recently received an action alert and felt compelled to share our experience. We have 82 employees, 25 of which have had their identity compromised through unemployment related fraud. Of the 25, only 2 (to date) have actually had claims filed and received on their behalf. We were just notified that these two employees received 1099-G's in the mail just recently. All of this is frustrating, but it seems never ending.

We have attended several webinars on this topic and learned quite a bit over the past several months. Unfortunately, the state was completely unprepared and ill-equipped to prevent this from happening on a wide scale. Furthermore, the resources provided fall well short of the demand to rectify the issue or most importantly provide resources and guidance to those impacted parties. Several of our employees impacted have attempted to call the KS UI office but cannot get through due to high call volumes, are put on hold for hours and then the call is dropped. KS needs to dedicate more resources, human capital and monetary, to mitigate further exposure and provide Kansans with the peace of mind needed to navigate these difficult times. An investment into upgrading the infrastructure of their systems is paramount.

Thanks for listening and please let me know if you have any questions or request additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Nate Scott". The signature is stylized and fluid.

Nate Scott, SHRM-SCP

Human Resources Director

Golf Course Superintendents Association of America (GCSAA)

[nscott@gcsaa.org](mailto:nscott@gcsaa.org)

(785) 832-4414



**HUMAN RESOURCE DEPARTMENT**

2/1/2021

To Whom It May Concern:

The City of Manhattan, KS has experienced an extremely high volume of UI fraud for both current employees and those that are no longer employed. About 50% of all claims we received have turned out and been reported to be identity theft in comparison to 25 claims a year or less in previous years this year we've had well over 320 claims. This includes 160 plus full-time employees at a potential charge of \$13078.00 account charge for each.

Regards,

A handwritten signature in black ink that reads "Robyn Dreher".

Robyn Dreher  
Human Resources Specialist  
City of Manhattan/Human Resources Department  
1101 Poyntz Avenue, Manhattan, KS 66502  
Tele: (785) 587-2443 Fax: (785) 587-2456  
[robyn.dreher@cityofmhk.com](mailto:robyn.dreher@cityofmhk.com) / [jobs@cityofmhk.com](mailto:jobs@cityofmhk.com)

February 1, 2021

Kansas Legislators,

2020 was anything but a normal year and that abnormality extends to the number of unemployment claims filed. In a normal year, Bluestem Communities, a reimbursing employer would process between ten to twelve unemployment claims. However, for 2020 and through January 2021, the following is true.

- 175 claims processed since 01/30/20
- 84 claims were fraudulent
- 30 minutes, average amount of time to process a claim – this includes research and completing the response
- 5, 250 minutes (30 minutes x 175 claims)
- \$78,750 cost to process 175 claims (2,625 hours x \$30 per hour)
- Many of the non-fraudulent claims filed were likely the result of a former employee, filing for benefits after a reduction in hours or loss of a job
- 6 number of current employees whose hours were reduced as a result of adjustments due to Covid
- 1 hour = time spent reviewing and preparing a response to KDOL Collection Unit for fraudulent charges included on our Fourth Quarter Statement of Benefit Charges
  - \$32,290.59 Benefit Charges
  - \$16,145.29 Cares Act 50% Reduction
  - 14 – number of fraudulent claims listed on quarterly statement, all of which have been previously disputed via response to Employer Notice K-BEN 44/45 (Rev. 1-17)
  - \$15,716.58 total charges related to fraudulent claims
  - \$15,574 = total charges with fraudulent claims removed
  - \$7,787 = amount Bluestem Communities would pay with fraudulent claims removed and Cares Act 50% Reduction in place

Thank you for your time and consideration of the above.

Sincerely,

*Ron Ratzlaff*

**Ronald Ratzlaff, SPHR, SHRM-SCP**

Human Resources Director

Kidron Bethel Village ■ 3001 Ivy Drive ■ North Newton, KS 67117  
316-836-4888 ■ [kidronbethel.org](http://kidronbethel.org) ■ [bluestemks.org](http://bluestemks.org)



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February 1, 2021

Natalie Bright  
Bright & Carpenter Consulting, Inc.  
825 S Kansas, Suite 502C  
Topeka, KS 66612

Re: Kansas Fraudulent Unemployment Claims

In response to the Kansas SHRM request for information regarding our fraud experience and estimated fraudulent charges, please see below.

We received our first fraudulent unemployment claim on 10/06/2020 on behalf of our President/CEO. Since that time, he has had two additional claims filed using his name and Social Security number. To date, we have had 18 fraudulent unemployment claims on our account—a combination of current employees, a former employee and individuals who have never been employed by our company. I have followed the procedures outlined by the Kansas Department of Labor for reporting each claim and also advised the victims to complete the process of reporting to the state as well as contacting other agencies and financial institutions as recommended.

We are a small company with 46 employees. We have employees in 12 states. Only 19 are Kansas employees and the majority of those employees have had a fraudulent unemployment claim. To date I have received no fraudulent claims for an employee outside of Kansas. Knowing fraud is occurring across the country, this seems to be an unusually high occurrence for the small number of employees we have in Kansas.

As of Saturday, three of our employees had received 1099-G forms reporting 2020 unemployment compensation for which they did not apply for or receive, all in the amount of \$1,509. I expect more employees will be receiving similar 1099-G forms in the coming days. This morning when attempting to contact the Kansas DOL on a specific line noted for fraudulent 1099s, my experience was either dropped calls while on hold or a message advising the que was full—please call back later.

Thanks for requesting information from SHRM members and your work in educating the Kansas Legislature. This has been extremely concerning and inconvenient as an employer and for our employees.

Sincerely,

Sharon K. Wine, SPHR, SHRM-SCP  
Director of Administration & HR





THE BRADBURY CO., INC.

1200 East Cole  
P O Box 667  
Moundridge, KS 67107-0667  
Telephone: +1-620-345-4389  
Facsimile: +1-620-345-6379  
e-mail: shofas@bradburyco.com

**Shonda Fast**  
Recruitment & Employee Development Coordinator

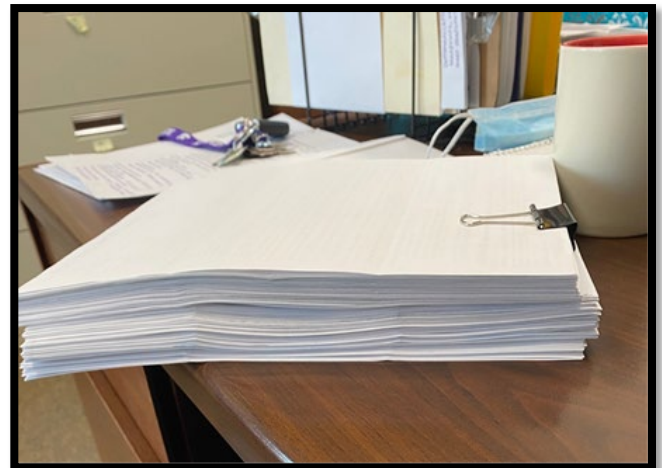
February 2, 2021

RE: Unemployment Fraud Experience

To Whom it may Concern:

At the Bradbury Group, we have approximately 340 Kansas employees. Since October 2020, we have received 107 fraudulent UI Claims. There are additional claims we have received since March of 2020, but we didn't start keeping as close of track until recent months when things seemed to be getting out of hand. Some weeks, I receive 15-20 fraudulent claims. It is a daunting task to fill out a response to KDOL, notify the employee, answer their questions, as well as document the process. I dedicate at least 2-3 hours per week just for this task. Although we have not seen any of these claims go against our account (yet), employees have notified us that they have received 1099-Gs regarding these fraudulent claims. The lack of response from KDOL has employees and myself feeling frustrated and fearful.

This is a picture of the stack of fraudulent claims since October 2020.



It is my hope that this letter spurs some change.

Respectfully,

Shonda Fast  
Recruitment & Employee  
Development Coordinator  
The Bradbury Co., Inc.  
620-345-4389





Garmin International, Inc.  
1200 East 151st Street  
Olathe, Kansas 66062  
P: 913-397-8200 F: 913-397-8282

February 2, 2021

**Comments before the House Commerce Committee**

**Employer Update on the state of the Kansas Unemployment Insurance**

**Laurie Minard, Vice President, Human Resources, Garmin International**

Thank you for the opportunity to share Garmin's experience regarding fraudulent unemployment claims. Garmin is a multinational technology company based in Olathe, KS with approximately 5900 associates throughout the US and the majority of the associate population working in the state of Kansas. Because Garmin has 20+ locations throughout the United States, we have visibility to claims in each state. Garmin's associate population located in Kansas has been impacted far more severely, and disproportionately higher than its associate population located in other states. Although 70% of Garmin's US associate base works in the state of Kansas, 97% of the fraudulent unemployment claims that have been received have been from the State of Kansas.

To date, Garmin has received 1100 fraudulent unemployment benefit claims which represents approximately 25% of our Kansas based associates. Because of the large volume of fraudulent unemployment claims Garmin has received, Garmin has had to dedicate one full Human Resources associate to responding to the state as well as working with associates on their fraudulent claims. In addition, associates have shared that it takes them at least half of a work day to complete the steps required to report and mitigate the impact of the fraudulent claim. This has caused an undue hardship on Garmin as well as our associates.

Please let me know if there is additional information that Garmin can provide. Garmin appreciates anything that you can do to help stop the fraudulent claims as well as provide the state with resources, tools and systems needed to prevent this type of fraud in the future. Thank you for your time.

Laurie Minard

Vice President, Human Resources

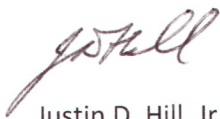
Garmin International

February 1, 2021

To: House committees having hearings about unemployment tax fraud

The Lawrence Paper Company has experienced the fraud on the unemployment fund first-hand. We have nearly 225 employees in our Lawrence plant. One third of those employees have had fraudulent claims made. Many of those employees have received 1099-G forms showing payment from the Department of Labor in spite of having filed a notice of fraud with the department. None of the money attributed to the employees has been actually paid to them.

As an employer we are especially concerned about who pays for the massive fraud dollars paid out. Currently employers bear the collective responsibility to keep the fund solvent. But that responsibility cannot conceivably include either fraud claims or claims paid in excess of what was really due. If employers have to make up the entire short-fall the fund due to mismanagement by the Department of Labor the fund might not be whole again during my lifetime. In my opinion the deficit in the fund due to fraud claims should come from the general fund, not employers.



Justin D. Hill, Jr.

President

# Norfolk Iron & Metal Company



P.O. Box 1467 • 1701 E. South Ave. • Ph: (620) 342-9202 Fax: (620) 342-9292 • Emporia, KS 66801

February 2, 2021

## To Kansas Legislators:

Good afternoon. I personally and professional have been impacted by fraudulent unemployment claims. I have a family of 6, and 4 of us have had fraudulent unemployment notices filed. Not only did I have to file on the employer side but also the employee. My 71 year old father also had a claim filed fraudulently.

I received 9 unemployment notices today, 6 are of current employees, the other 3 are not current employees, however I will attempt to contact to ensure they did file the claim. In addition to these 6 I have received 17 fraudulent claims since October of 2020.

Here is my best conservative estimated based on other employer experiences. Known Fraud Claims = 23 multiplied by the average weekly benefit amount of \$358.22 since beginning of the pandemic = **\$8,239.06**.

When this happens I have to go on-line to report it as an employer and track down employees who were impacted to advise them what they have to do on their end. This takes additional time and effort, both of which I do not have when I am down 13 of my 82 positions on my floor.

I have 140 employees at this location which means I have received approximately 20% of fraudulent claims on my current employees. Several of my employees have been upset thinking this is the fault of our company.

I have reached out to our Colorado and Nebraska plants, neither have received any fraudulent claims.

If you have any questions or concerns please contact me at 620.342.9202 x 4203.

Sincerely,

A handwritten signature in cursive script that reads "Coralie Owens".

**Coralie Owens, SHRM-CP**



February 2, 2021

Re: Action Alert on UI Fraud

To Whom It May Concern,

Bucklin Tractor & Implement Co., Inc. began receiving fraudulent unemployment claims in July, 2020. By the end of 2020, we had received and responded to 47 such claims. Most of them were filed in the name of current, active employees in our six locations across south central, central and northwest Kansas. A few claims were for former employees now employed elsewhere who denied having filed for benefits. A couple of these claims were for individuals who have never worked at BTI. These 47 fraudulent claims amount to almost one-quarter of our total employee population. Employee headcount at BTI has consistently remained just under 200 over the last several months.

Since January 1, 2021, we have responded to an additional 16 fraudulent claims for current and former employees who deny filing them, with two additional fraudulent claims received this week.

Several current employees have reported receiving Unemployment Insurance Determination notices containing their weekly benefit amount with the mailing date of the first week's benefit. A number of employees are now receiving fraudulent 1099-G forms.

An estimate of the Potential Account Charges to BTI for 46 out of 65 of these claims, based on Notice of Initial Claim and Potential Benefit Charge notices received from KDOL, is \$525,789. This does not include the time spent by Human Resources to respond to KDOL on these claims on behalf of employees and then communicate with the employees to let them know their identity has apparently been compromised. This also does not include the time employees must spend, often during work hours, to respond to these identity issues.

While I am sympathetic to KDOL employees and others who are attempting to respond to this situation, it has only gotten progressively worse since it first began for BTI in July, 2020, and there is no apparent end in sight.

I appreciate KS SHRM's efforts on behalf of Kansas employers to see this most unfortunate situation resolved. I also appreciate the Kansas Legislature's willingness to hear from Kansas employers through KS SHRM and other organizations and work with us to determine how best to address this situation.

Respectfully,

Jan Eckert

HR Director

Store: 620.672.5606 Mobile 620.388.3294  
18 NW 30<sup>th</sup> St. PO Box 964, Pratt, KS 67124

Bucklin • Great Bend • Greensburg • Hoxie • Ness City • Pratt  
[btiequip.com](http://btiequip.com)



Below is a listing of the issues we are currently experiencing with regards to the State unemployment fraud:

A significant problem we have encountered is that our organization's unemployment account is being charged for these fraudulent claims even after we notified the Dept. of Labor the filing was bogus. It depletes balances and increases our claim experience regarding future insurance premiums. So far, we have been affected by over \$15,000 worth of inappropriate charges.

We identified claims as fraudulent immediately upon them having been filed.

Compounding this issue is the fact that we have employees coming to us indicating they are the victim of a fraudulent filing.

However, we still have not been notified by the Dept. of Labor of such a filing in order to be able to confirm or protest the legitimacy of the claims.

If there are unemployment claims verifications being held up at the State, I hope the benefits are also being withheld until full verification from the employer is received.

Our agency has also been for an employee whose case we actually won.

Employees whose information was stolen have received 1099 forms for wages they did not receive.

We have received information from multiple sources (SHRM, our u/e claims processor, and several other sources) on how to turn this information into the state to get a 1099 corrected.

- There are two separate 785 numbers that a person can call, one for identity theft victims and one for 1099 G disputes but once you walk through all the steps it tells you that agents are assisting other callers. Tells you to report the fraud on-line (which has already been done) or that agents are busy and to try back later, then tells you to have a great day and hangs up.
- There is a section that tells how to send in a 1099 dispute and a mailing address that we can send a dispute to. This is under the dispute section rather than the fraud section so I am not sure if we should utilize this to report a fraudulent 1099 but since I couldn't get through on the phone I went ahead and sent a dispute in this manner to attempt to get it corrected.
- I received an email late yesterday with a 3<sup>rd</sup> option of going on to the Kansas Department website and to complete the 1099 dispute on-line. I went ahead and did this option just to see what it is like. The website page itself looks pretty sketch and it requires you to enter your ss#. I did it but wasn't very comfortable with the process especially since the data was stolen in the first place. \* I have not rolled this option out to staff at this point.

Hope this information helps!

*Lacy King*

*Director of Human Resources*

*Four County Mental Health Center*

*(620) 332-1941*



To Whom It May Concern:

I am writing today to share with you the experience that Seward County Community College has experienced in light of the fraud that has occurred since 2020 for unemployment claims. During normal in-session school months, the college employs an average of 362 staff and faculty in Liberal, KS.

Since September 17, 2020, the college has been impacted by 73 fraudulent claims or 20% of our workforce. In September alone, we responded to the Kansas Department of Labor (KDOL) with 24 claims. From this point forward, we saw the claims of full time and part time employees coming through on a regular basis. Because we receive electronic notification of these claims (SIDES), we are able to respond immediately to KDOL with information stating that these are believed to be fraudulent. The information that came in these claims did not always match records and information appeared to be pieced together for some employees. Nevertheless, every individual was notified with the information necessary to go to the fraud website set up by KDOL. (See Below)

The college received a notification that you filed an unemployment claim with the Kansas Dept of Labor. We contacted the Kansas Dept of Labor and we were referred to their website, <https://www.dol.ks.gov/fraud>, where individuals can report if they suspect an unemployment claim has been improperly filed using their identity.

If you filed the unemployment claim, you don't need to do anything. But, **if you DID NOT file the claim**, then please go to <https://www.dol.ks.gov/fraud> and report the fraudulent activity immediately. You'll also see additional suggestions given beyond that, such as reporting to other entities (credit bureaus, Social Security Administration, financial institutions, etc.).

While as an employer, we are trusting that the KDOL has stopped the continuation of the claims that were fraudulently filed on behalf of each of our employees, we have also found that employees have received notices from the KDOL prior to us receiving a SIDES report, and we were unaware of the filing.

We are hoping that as we work with the KDOL that our account is not adversely affected in the future as these claims were not a result of an action on our behalf. In addition, we recognize that this has also taxed the KDOL employees hindering their ability to get back to employers in a timely manner.

Our hope is that KDOL and legislators understand the "time" cost factor that has gone into employers such as Seward County Community College, who have had to divert productivity hours in an effort to safeguard the interests of our employees due to this breach of security.

We look forward to hearing the resolution that is to be put into place to further protect our accounts and our workforce.

Sincerely,



Maria E. Dennison  
Human Resource Director  
Seward County Community College



# SALINA Airport Authority

Chairman  
Al Eichelberger

Vice Chair  
Kristin Gunn

Secretary  
Troy L. Vancil

Treasurer  
Brian Weisel

Past Chairman  
Kent Buer

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Executive Director Timothy F. Rogers, A.A.E.  
Dir. of Administration & Finance Michelle R. Swanson, C.M. Dir. of Facilities & Construction Kenny R. Bieker  
Manager of Operations David Sorell Business & Communications Manager Kasey L. Windhorst Board Attorney Greg A. Bengtson

February 2, 2021

The Honorable Sean Tarwater, Chair  
Commerce, Labor and Economic Development Committee  
Kansas House of Representatives  
300 SW 10<sup>th</sup> Ave. B  
Topeka, KS 66612

**Re: Kansas Unemployment Insurance Fraud**

Dear Chair Tarwater:

My name is Michelle Swanson and I have served in the capacity of director of administration and finance for the Salina Airport Authority since 1998.

During my tenure I have never had a situation where a fraudulent unemployment claim has been filed on an individual that is still under the employ of the Salina Airport Authority (SAA). Since October 23, 2020, we have been made aware that 7 of our current 15 employees have had fraudulent unemployment claims made utilizing their personal information.

Immediately after becoming aware of each instance of fraud, our office has taken the steps necessary to report the fraud to the Kansas Department of Labor as well as reporting through the third-party SIDES E-Response portal. Additionally, we have assisted our affected employees in reporting the fraud to KDOL as well as going through the procedures to determine if identity theft was involved. In each instance, there was no evidence of identity theft—in other words, the notice of the unemployment claim was the only indication that their personal data had been compromised in any way. As you are probably aware, the KDOL has continued to state the problem is a result of personal identity theft. Based upon the situation of our employee group, this does not appear to be the case and I believe the issue is a data breach at the State level.


Furthermore, we have yet to receive a confirmation from KDOL that our reports of fraudulent activity have received a determination that no claim will be processed and charged against the SAA as the employer. I have made repeated phone calls to KDOL to check the status of these claims and I am met with a voice mail indicating representatives are unavailable, and to simply visit the KDOL fraud website. In addition, KDOL indicates they will file police reports for each case and I have yet to receive the police report numbers after receiving (via email) over three different points of contact, none of whom have been able to provide the report numbers.

Meanwhile, our employees are receiving IRS 1099-G tax forms for unemployment benefits they did not receive and are becoming increasingly frustrated with the lack of communication regarding each of their individual fraudulent claims.

I respectfully urge you and other members of the Kansas Legislature to make this one of your top priorities for the employers and employees of the State of Kansas.

Respectfully submitted,

**SALINA AIRPORT AUTHORITY**

  
Michelle R. Swanson, C.M.  
Director of Administration and Finance

Cc: Representative Steven C. Johnson