



JB Pritzker
Governor

Kristin A. Richards
Acting Director

Honorable Members of the General Assembly:

The Illinois Department of Employment Security (“IDES”) is providing this notice in accordance with the Illinois Personal Information Protection Act, 815 ILCS 530/1/ *et seq.* (“the Act”).

Bad actors have been besieging unemployment insurance systems across the nation for months. The majority of this activity is aimed at the Pandemic Unemployment Assistance program provided for in the CARES Act (P.L. 116-136, §2102). On December 22, 2020, at approximately 11:50 a.m., IDES discovered a new fraud scheme when a media outlet informed the agency that an Illinois resident received 11 letters from IDES containing other individuals’ personally identifying information (PII).

IDES asked the media outlet to share what the resident received, and upon receipt of the letters, IDES began an investigation. The resident received letters known as “500b employer letters” that the agency sends to employers after fraudulent claims using stolen PII are stopped due to reports by victims or when caught through the agency’s crossmatch system and other analytics. The employer of record receives the 500b letter to inform them that the claim is fraudulent and has been stopped.

In this case, IDES uncovered that a fraudster imputed a fictitious employer address when filing the 11 fraudulent claims. This caused the employer letters to reach the unsuspecting individual who happened to reside at the address used by the fraudster.

This incident is not a breach of IDES’ systems. Instead, this is an example of identity thieves using stolen PII, accessed due to a previous cyberattack outside of the IDES system (*e.g.* a previous cyber attack or other identity theft), to file for unemployment benefits and steer all notices to a fictitious employer, or an employer not associated with the victim, in a likely attempt to avoid detection for as long as possible. This is also an example of the widespread, national identity theft issue and fraudsters growing increasingly sophisticated in their efforts to access unemployment benefits and disrupt unemployment systems.

Pursuant to the Act, IDES will give notice to individuals who have been victimized by identity thieves and whose notice of PII has reached a fictitious employer, including the 11 individuals referenced above. To support this notification process and further fight this fraud scheme, the agency is asking for the assistance of persons who receive these fictitious employer notices to contact IDES at 800.513.0513 to report the identity theft.

IDES will provide all identifiable individuals whose PII has been stolen and used through this type of scheme with toll-free numbers and addresses for consumer reporting agencies, a toll-free number along with mailing and website addresses for the Federal Trade Commission, and a statement that the individual can obtain information about fraud alerts and security freezes from these sources. IDES is also suppressing PII on notices to employers and will work with the employer community to encourage broader enrollment in the State Information Data Exchange System (SIDES) that provides additional safeguards around PII and is offered at no cost to Illinois employers. IDES has also updated its website with information regarding fraudulent claims and identify theft issues: ides.illinois.gov/fraud.

Sincerely,

s/ Kevin Lovellette

Kevin Lovellette

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