

EM - Emergency Message

Effective Date: 9/21/2021

Identification Number: EM-21012 SEN REV

Intended Audience: All RCs/ARCs/ADs/FOs/TSCs/PSCs/OCO/OCO-CSTs/OHO/OARO

Originating Office: DCO OPSOS

Title: Handling SSI and Medicare Part D Extra Help Low-Income Subsidy (LIS) Inquiries when a Claimant Alleges to be a Victim of Unemployment Insurance Fraud

Type: EM - Emergency Messages

Program: All Programs

Link To Reference: See **References** at the end of this EM.

SENSITIVE - NOT TO BE SHARED WITH THE PUBLIC**Retention Date:** 03/23/2022**Summary of Changes:**

This EM replaces a prior version issued on February 23, 2021. It provides additional references and the changes in LIS guidance based on updates to [EM-20014 REV 3](#) and [EM-21050](#) due to the agency's decision to exclude all regular and pandemic unemployment during the pandemic period from income and resources.

- Section A: Added LIS reference
- Section B: Added a note with the reference to revised [EM-20014 REV 3](#) and [EM-21050](#)
- Section B: Added a POMS reference [HI 03035.010](#) Income Verification Process
- Section D: Removed a language, "See the sample letter under references." It was included by mistake due to the last-minute changes
- Section E: Updated instructions to reflect the changes in [EM-20014 REV 3](#) and [EM-21050](#)

A. Purpose

This EM provides background information and instructions for technicians handling inquiries for SSI and Medicare Part D Extra Help Low-Income Subsidy (LIS) applications when a claimant alleges Unemployment Insurance (UI) fraud during the COVID-19 Pandemic.

B. Background

The COVID-19 pandemic resulted in millions of new unemployment claims in a short amount of time. The urgent need to provide financial assistance to Americans suddenly unemployed because of the pandemic created an opportunity for fraudsters to file fraudulent unemployment claims on a large scale. The scope of these fraud schemes is broad and affect most states.

On October 13, 2020, the Financial Crimes Enforcement Network (FINCEN) issued an advisory to financial institutions about UI fraud observed during the COVID-19 pandemic. It identified multiple fraud schemes, specifically identity-related fraud schemes, in which an individual submits applications for UI payments using stolen or fake identification information to perpetrate an account takeover.

For SSI purposes, UI benefits are treated as unearned income ([SI 00830.230](#)) and UI benefit amounts retained into the month following the month of receipt count as a resource ([SI 01110.600](#)).

Note: Based on instructions in the chart in [EM-20014 Rev 3](#) section C.1, regular and pandemic UI benefits are excluded from income and resources for the pandemic period. The pandemic period for each state is defined in the chart in [EM-21050](#) section B.4.

SSA matches information from the Supplemental Security Record (SSR) against wage and unemployment compensation (UC) data every quarter through an Office of Child Support Enforcement (OCSE) data match ([SI 02310.065](#) and [HI 03035.010](#)). SSA uses information from this data match to determine whether SSI recipients and individuals who apply for Medicare Part D Extra Help Low-Income Subsidy (LIS) have unearned income that would affect their eligibility or the amount of their monthly payment. In such situations, SSA may determine the SSI recipient was overpaid, and start overpayment recovery process.

C. TSC Instructions for Handling Calls Related to UI Fraud:

If a caller alleges UI fraud:

1. Ask if the caller has reported the fraud to the local unemployment insurance office.

a. If yes, and the caller receives an SSI or LIS benefit, instruct the caller to contact his or her local field office immediately. Inform the caller he or she will need to provide a case number, written confirmation from UI office, or other evidence to demonstrate the UI benefits have been reported as fraudulent to local field office.

b. If yes, and the caller is planning to apply for SSI or LIS benefits, inform the caller he or she will need to provide a case number, written confirmation from UI office, or other evidence to demonstrate the UI benefits have been reported as fraudulent when he or she applies for benefit.

c. If yes and the caller is not receiving or planning to apply for SSI or LIS benefits, follow the instructions in [TC 31007.020](#) Problems with the use of a Social Security Number (SSN) and refer the individual to the Federal Trade Commission Identity Theft website at

<http://www.ftc.gov/bcp/edu/microsites/idtheft/>. The individual may also call the FTC at 1-877-IDTHEFT (1-877-438-4338); TTY: 1-866-653-4261. No further action is needed by SSA if the caller is not applying for or receiving SSI benefits.

d. If no, and the caller is receiving or planning to apply for SSI or LIS benefits, instruct the individual to contact the appropriate state fraud hotline on the [Department of Labor site](#) to report unemployment fraud. Inform the caller he or she will need to provide a case number, written confirmation from UI office, or other evidence to demonstrate the UI benefits have been reported as fraudulent when he or she applies for SSI or LIS benefit. Follow the instructions in [TC 31007.020](#) Problems with the use of a Social Security Number (SSN) and refer the individual to the Federal Trade Commission Identity Theft website at

<http://www.ftc.gov/bcp/edu/microsites/idtheft/> to learn more about identity theft.

e. If no, or if the caller indicates he or she cannot provide evidence of reporting the fraud and does not receive or plan to apply for SSI or LIS benefits,

instruct the individual to contact the appropriate state fraud hotline on the [Department of Labor site](#) to report unemployment fraud. Follow the instructions in [TC 31007.020](#) Problems with the use of a Social Security Number (SSN) and refer the individual to the Federal Trade Commission Identity Theft website at <http://www.ftc.gov/bcp/edu/microsites/idtheft/> to learn more about identity theft.

D. SSI Processing Instructions for Field Offices:

1. If an SSI applicant/recipient alleges UI fraud:

Ask if the individual has reported the fraud to the local unemployment insurance office.

- a. If yes, ask if he or she has a case number, written confirmation from UI office, or other evidence to demonstrate the benefits have been reported as fraudulent.
- b. Scan any available written documentation provided by the applicant/recipient into the electronic folder.
- c. Complete the Unemployment Compensation screen in the claims path:
 - i. Post the alleged amount as \$0.00 while the fraud allegation is pending.
 - ii. Document the NH's allegation regarding the potential fraud in the "person remarks" section.
 - iii. Annotate the case number and any other pertinent details regarding the UI fraud allegation in the "file documentation notes" section. (For non-MSSICS cases, complete an SSA-5002 Report of Contact and fax it into the electronic folder).
- d. If the individual has not reported the UI fraud, instruct the individual to report the unemployment

fraud and obtain proof of their report by using the appropriate state fraud hotline located on the [Department of Labor site](#)

i. Request that the individual provides SSA with documentation of the fraud report. Use form [SSA-L732](#) Request for Information notice in the Document Processing System (DPS), and be sure to include the following statement (b) (7)(E)

ii. Follow the instructions in [RM 10220.060](#) Assisting Identity Theft Victims and refer the individual to the Federal Trade Commission Identity Theft website at <http://www.ftc.gov/bcp/edu/microsites/idtheft/> to learn more about identity theft. The site contains step-by-step procedures for individuals to follow if personal information has been compromised. They may also call the FTC at 1-877-IDTHEFT (1-877-438-4338); TTY: 1-866-653-4261.

iii. Once the individual provides the requested information, follow steps D.1.b – D.1.c above.

e. (b) (7)(E)

[Redacted]

[Redacted]

[Redacted]

(b) (7)(E)

2. Post remarks on the SSR that state “Victim of COVID19 UI fraud from MM/YR -MM/YR”.

E. LIS Processing Instructions for FO/WBDOC/TSC:

If a LIS applicant alleges UI fraud **and** the income and resources on the application are **within** the allowable LIS limits:

- Process the application following normal business processes in [HI 03035.010](#).
- Follow instructions in [HI 03035.006](#) to document the applicant’s allegation on the Report of Contact (DWRC) screen, complete the Issue Verification (VRAI) screen, and select the “Resolved” button to send the application for Subsidy Determination.

If a LIS applicant/recipient alleges UI fraud **and** the income and resources on the application **exceed** allowable LIS limits:

1. Ask if the individual reported the fraud to their local unemployment insurance office.
 - a. If yes, ask them if they have a case number, written confirmation, or other evidence to demonstrate the application reported the fraudulent benefits.
 - b. Use the Report of Contact (DWRC) screen to document the name of the applicant, date of the discussion, and a brief summary of applicant’s explanation. Be sure to include the information provided in E.1.a.
 - c. Complete the Issue Verification (VRAI) screen in MAPS to post the alleged UI amount as \$0.00, resolve the verification issue, and select the “Resolved” button to send the application for Subsidy Determination.
2. If the caller does not have evidence of reporting UI fraud, or if the individual indicates they cannot provide evidence of reporting the fraud, instruct the individual to contact the

appropriate state fraud hotline on the [Department of Labor site](#) to report unemployment fraud.

a. Follow the instructions in [RM 10220.060](#) Assisting Identity Theft Victims and refer the individual to the Federal Trade Commission Identity Theft website <http://www.ftc.gov/bcp/edu/microsites/idtheft/>. The FTC Identity Theft website contains step-by-step procedures for someone to follow if personal information has been compromised. They may also call the FTC at 1-877-IDTHEFT (1-877-438-4338); TTY: 1-866-653-4261.

b. Request the applicant/recipient provide SSA with documentation of the fraud report. [REDACTED]

c. Follow instructions in [HI 03035.006](#) to record the issue resolution on the DW01 screen. Annotate the DW01 with remark "*Alleged victim of COVID19 UI Fraud from MM/YY to MM/YY. Proof not provided*". Be sure to document the date of the discussion, the names of the individuals involved in the discussion, and a brief summary of information provided during the discussion.

d. Follow normal processes to resolve and document all other verification issues.

e. Complete the Issue Verification (VRAI) screen in MAPS to post the alleged UI amount as \$0.00, resolve verification issues and select the "Resolved" button to send the application for Subsidy Determination.

f. (b) (7)(E) [REDACTED] update the DW01 to capture the information provided on the proof.

Direct all program-related and technical questions to your Regional Office (RO) support staff or Program Service Center (PSC) Operations Analysis (OA) staff. RO support staff or PSC OA staff may refer questions, concerns or problems to their Central Office contacts.

References:

[RM 10220.060](#) Assisting Identity Theft Victims
[SI 00830.230](#) Unemployment Insurance Benefits
[SI 00830.005](#) General Rules for Developing Unearned Income
[SI 01110.600](#) First-of-the-Month (FOM) Rule for Making Resource Determinations
[SI 01120.005](#) Distinguishing Resources from Income
[SI 01140.010](#) Resource Verification
[SI 02310.065](#) Unemployment Compensation Match (U5 Diary)
[SI 04020.000](#) Reconsideration - SSI
[HI 03035.006](#) Verification and Documentation Process for Medicare Application Processing System (MAPS)
[HI 03035.010](#) Income Verification Process
[TC 31007.020](#) Problems with the use of a Social Security Number (SSN)
[MS 05203.015](#) National Directory New Hire, Wage & Unemployment Menu (NDNH)
[MS 05209.001](#) Interstate Benefit Inquiry (IBIQ) - Overview

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Link to this document:

(b) (7)(E)