

# PREVENTING & REPORTING UI FRAUD

## What is Employer Unemployment Insurance (UI) Fraud?

When an employer knowingly provides false information or withholds facts to avoid or reduce UI contribution liability.



### UI FRAUD IS A CRIME!

For more information about UI fraud, visit [uid.dli.mt.gov/report-fraud/](http://uid.dli.mt.gov/report-fraud/).

## Examples of Employer UI Fraud

- Deliberately reporting incorrect or zero wages.
- Intentionally misclassifying employees as independent contractors.
- Paying workers off-the-books or under-the-table wages to avoid paying UI taxes.
- Manipulating payrolls by shifting workers between employer accounts to improperly use a lower contribution tax rate. This is called State Unemployment Tax Act (SUTA) dumping.
- Knowingly providing false information regarding a worker's separation from employment or failing to respond to a claim notice that a worker has filed a UI claim while still working for you.

## Consequences of UI Fraud

UI fraud is a serious offense that can carry severe penalties.



For example, it may result in:

- Liens, fines, and a court-ordered operating suspension against your business.
- The fraudulent behavior being shared between state and federal agencies.
- Prosecution or even jail.

## Ways to Avoid UI Fraud

- Report the reason for employee separation quickly and accurately.
- Report new hires within 20 days and rehires if 60 days have passed from their first day of employment [dphhs.mt.gov/cssd/employerinfo/newhirereporting](http://dphhs.mt.gov/cssd/employerinfo/newhirereporting).
- Respond promptly to all information requests.
- File quarterly UI Tax and Wage reports and pay UI taxes timely.
- Attend appeal hearings.

## Help Stop UI Fraud!



If you know or suspect a business or individual is committing UI fraud, please contact us!



Online:

[uid.dli.mt.gov/report-fraud/](http://uid.dli.mt.gov/report-fraud/)



Call the UI Fraud Hotline:  
(406) 444-0072

See your state's UI Employer portal [uieservices.mt.gov](http://uieservices.mt.gov) or the State Information Data Exchange System (SIDES), [naswa.org/services/sides](http://naswa.org/services/sides) for more information about reporting and responding electronically.



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