

**Contact**  
**Amanda Pisano**  
Communications & Marketing  
**PHONE:** 609.984.2841  
**EMAIL:** [MediaCalls@dol.state.nj.us](mailto:MediaCalls@dol.state.nj.us)



## **- News Release -**

**NEW JERSEY DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT**  
PO BOX 110, TRENTON, NEW JERSEY 08625-0110

FOR IMMEDIATE RELEASE

**Christie Administration Unemployment Insurance Anti-Fraud Program Saves  
Taxpayers More Than \$640 Million**  
*Labor Commissioner Shares Fraud-Fighting Success Stories at Government Identity Fraud  
Conference*

**LAS VEGAS, February 4, 2016** – Commissioner Harold J. Wirths of the New Jersey Department of Labor and Workforce Development this week shared the state’s major anti-fraud successes with state, local and federal government officials as well as private vendors at the Government Identity Fraud Conference at the Mirage Las Vegas. As part of the “Fighting Back When Resources are Limited” and “Where Do We Go from Here” panels, Commissioner Wirths presented the department’s fraud prevention initiatives that have stopped more than \$640 million from leaving the Unemployment Insurance Trust Fund, triggering a \$1 billion tax cut for New Jersey employers over the next five years.

“Our anti-fraud effort has been focused on stopping fraud before it happens by making sure people do not collect money they are not entitled to get. We have an obligation to protect the money that taxpayers have paid into the Unemployment Insurance system,” said Labor Commissioner Harold J. Wirths. “I hope that New Jersey’s example can be followed by other states to stop fraudsters from robbing public funds.”

New Jersey's Unemployment Insurance Trust Fund plunged into deficit in March 2009 as a result of \$4.6 billion in diversions over two decades, multiple tax table adjustments and a severe recession that forced the state to borrow federal funds to make benefit payments to large numbers of unemployed workers. The deficit, which grew to a peak of \$2.1 billion by April 2011, triggered severe tax increases on employers based on federal laws designed to replenish the fund.

As the Governor and Legislature passed laws to lessen the annual tax hikes, Commissioner Wirths launched the first of several anti-fraud measures in March 2011 that, to date, have prevented more than \$640 million from being improperly diverted from the Trust Fund. The measures helped to move the fund into a positive balance in 2014 – two years ahead of schedule – and eliminated a \$213 million federal tax hike that New Jersey employers were facing in January 2014 under the Federal Unemployment Insurance Tax Act (FUTA).

Today, the Trust Fund has moved into full solvency with a positive balance of more than \$1.1 billion, further triggering annual, incremental tax rate reductions for employers with projected tax savings of at least \$1 billion over five years.

The Department of Labor's first and most successful anti-fraud measure involved the simple process of cross-checking Unemployment Insurance lists against the National Directory of New Hires to determine if people collecting benefits had already returned to work. That practice has saved more than \$525 million to date. Other major anti-fraud measures imposed included software installed to detect claims being illegally filed from foreign Internet Protocol or IP addresses and the Identity Verification checking that requires people filing Unemployment Insurance claims to answer questions to verify their identity.

Since June 2013, the Department of Labor also has collected more than \$80 million through the Federal Treasury Offset Program or "TOPS," which allows the department to offset unemployment insurance payments that were illegally collected by individuals by seizing their refunds and the deductions the individuals were due on their annual federal income tax.

The Trust Fund is financed largely by employer taxes, and the \$1 billion reduction that will unfold in coming years is linked to a tax scale created under state law that raises or lowers the rate employers must pay depending on the health of the Trust Fund. This new tax break is in addition to the nearly \$1 billion in state tax hikes already averted by New Jersey businesses since Governor Christie took office in 2010 through signed bipartisan legislation to scale back the extent of Trust Fund tax increases triggered under New Jersey laws.



Commissioner Harold J. Wirths of the New Jersey Department of Labor and Workforce Development, along with co-panelist Saratu Grace Gharney, Chief Program Accountability Officer for the City of New York and moderator Terry Clark, former Law Enforcement Advisor to the CIO, Bureau of Alcohol, Tobacco, Firearms and Explosives and current owner of Intel Led Analytics at the "Fighting Back When Resources are Limited" panel at the Government Identity Fraud Conference held at the Mirage Las Vegas.