



KAYLA HEDGES

VICE PRESIDENT OF HUMAN RESOURCES

February 2, 2021

Introduction:

Our company has 44 hotels and 27 restaurants with 900+ employees in 24 states. In Kansas, we have six (6) locations with approximately 125 employees total. As we are in the hospitality business, we tend to have higher than average turnover rates. It is common for our company to exceed 100% turnover for our field employees in any given year. We were fortunate to be able to keep all of our locations open during this pandemic, however, we still experienced turnover, as expected.

Fraudulent Claims:

Starting in June 2020, we received our first fraudulent claim for unemployment benefits in Kansas. Specifically, our corporate office has had 43% of our employees affected. Since receiving the first fraudulent claim until last week, we are receiving anywhere from a minimum of one (1) to a maximum of five (5) claims per week affecting all of our Kansas locations.

Employer Impact:

As a multi-state employer with high turnover, we are used to a high volume of claims. However, Kansas is the only state where we are seeing fraudulent claims filed under our employee names, to date. The impact to our company is significant when it comes to:

- Unemployment Claims Rating
- Time researching each claim to find out if it was filed by the employee or if it is a fraudulent claim
- Responding to claims
- Reassuring the employees that their data is safe with our Company (reputation)

Employee Impact:

As we have had a high number of fraudulent claims in our corporate office alone, I reached out to one of the affected employees. Other than receiving a report number, the employee had very little confidence that anything further happened from Kansas Department of Labor after he reported the fraudulent activity. To date, he has spent close to 10 hours following up on the effects of this claim. This included time spent reporting the claim, notifying creditors, and having additional fraudulent activity because of the initial claim. In addition, it caused additional financial burdens, such as the credit freeze he had to put on his accounts. In some employee cases, they did not (nor have they since) received anything stating a claim was filed and were only notified by us, as their employer.



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Closing:

While news coverage has shown that unemployment fraud is occurring nationwide, my experience is that it has hit Kansas especially hard. Please continue to invest in the infrastructure needed to combat these senseless crimes against those working each day. Our commitment as an employer is to continue to help protect our employee's data and the state's unemployment fund.

Sincerely,

A handwritten signature in blue ink that reads 'Kayla J. Hedges'.

Kayla Hedges
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