



February 2, 2021

Commerce, Labor and Economic Development Committee
Kansas State Capitol
300 S.W. 10th Street
Topeka, KS 66612

Dear Committee Members:

Like many other Kansas employers, Butler Community College has been greatly impacted over the past several months by fraudulent unemployment claims. The sheer number of claims, and the work it takes to respond to them, is overwhelming. As of February 1, 2021, Butler Community College has received 332 known fraudulent unemployment claims. For each claim, we must notify and work with affected employees, respond to the claims on the Kansas DOL portal, and file a fraud report. In the past 6-9 months, we have spent a voluminous amount of time specifically dealing with these claims. This impacts the time that should be spent on more productive things for the College.

It is supremely frustrating and disheartening to find after all the hours of work put into responding to these claims and filing fraud reports that the Kansas DOL hasn't looked at the employer responses or the fraud reports before awarding unemployment benefits. We have responded to every, single claim, reporting them as fraudulent, yet benefits were still paid.

Our employees who had fraudulent claims made in their name are now calling us, in distress, stating that they have received a 1099-G tax form in the mail. Unemployment money is being paid out to fraudsters in our employees' names, but it is our employees who receive the form about being taxed for that payment. This is outrageous!

Additionally, we are deeply concerned about the financial exposure for Butler Community College due to payments on fraudulent claims driving up our unemployment tax rate. If we consider our known fraud claims of 332 multiplied by the average weekly benefit amount of \$358.22 since the beginning of the pandemic, a very conservative figure would be **\$118,929.04**. Keep in mind this estimate could be larger, much larger, if any fraud claims were paid for more than a single week, which is likely. Nor does this estimate include any of the federal unemployment dollars which were potentially expended.

This conservative estimate is large enough to likely move the college down several rate groups for future SUTA tax rates. Plus, the solvency surcharge and the potential FUTA credit reductions in subsequent years will likely drive our unemployment tax rate up by an astronomical amount.



This letter is in no way to rant against Kansas DOL employees. We know they are working very hard, faced with a disastrous situation of a dilapidated system. This situation cannot continue as it is now. Kansas employers and employees need to know that the Kansas DOL has a system in place that works. Employers should not be harshly penalized with an unemployment tax rate being driven unjustly high by fraudulent claims.

Let's work together. Kansas employees and employers deserve better.

Kathy Conner

Kathy Conner
Employment/Benefits Specialist

A handwritten signature in blue ink that reads 'Tiffany Rhodes'.

Tiffany Rhodes
Assistant Director of Human Resources