



Cost and FTE

- The Department requests 4.5 temporary FTE and \$412,854 cash fund spending authority in FY 2016-17 and FY 2017-18 from the Unemployment Revenue Fund to conduct criminal investigations involving crimes affecting Unemployment Insurance. Revenue is available to support this request and no additional cash fees will be added.

Current Program

- The Unemployment Insurance (UI) Division provides temporary compensation to individuals who are laid off through no fault of their own. The payment of unemployment benefits is funded through employer premiums.
- The Investigations and Criminal Enforcement (ICE) unit was established for the purpose of conducting criminal investigations involving crimes affecting the Colorado Department of Labor and Employment (CDLE). Under that directive, ICE has dedicated itself to the detection, investigation, and prosecution of crimes perpetrated against the CDLE – specifically the Division of Unemployment Insurance (UI) – and to the recovery of CDLE’s assets.
- Currently, all fraud cases sent to the ICE unit have a minimum monetary threshold of \$10,000.

Problem or Opportunity

- The ICE unit has a large backlog of cases (approximately 150 at any given time), which is currently 173 cases.
- The ICE unit receives new cases each month to investigate for criminal charges, and has received 108 new cases since January 2015 (through August).

Consequences of Problem

- Without additional staff and funding, some of the UI fraud cases will not be criminally investigated or prosecuted due to the backlog and the statute of limitations in some instances.
- ICE currently holds approximately \$2.3 million in potential collections from unassigned cases waiting to be investigated, in addition to the normal yearly caseload.
- Theft against the CDLE will continue, with or without additional investigative resources; however, it is imperative that the CDLE is able to combat UI fraud to the best of its ability and show the citizens and employers of Colorado that the CDLE addresses fraud seriously and is an excellent steward of the monies that have been entrusted to them.

Proposed Solution

- The Department requests 4.5 temporary FTE and \$412,854 cash fund spending authority in FY 2016-17 and FY 2017-18 from the Unemployment Revenue Fund to conduct criminal investigations involving crimes affecting Unemployment Insurance. The temporary FTE will be in place for two years, after which, the need for ongoing staff support will be evaluated.
- Additional staff and funding will provide more support to perform criminal investigations, resulting in cases being run more efficiently, increasing the amount of money that CDLE can recover through restitution.
- Increasing restitution collections ultimately increases the solvency of the Unemployment Insurance Trust Fund in addition to holding perpetrators accountable for their criminal behavior.