

We Found \$1.1 Billion in Fraud Where Others Only Found Data

How IEM delivered prosecution-ready evidence to a State Workforce Agency facing a 414% surge in claims.

In the wake of the pandemic, fraud* did not just increase. It evolved. While traditional systems were overwhelmed by a sea of disconnected applications, IEM's experts saw the invisible patterns. By the time our work was done, we hadn't just identified errors; we had identified criminal networks and secured over \$1.1 billion in taxpayer funds.

Recognizing a Need: A Perfect Storm for Exploitation

The unprecedented demand for unemployment insurance (UI) benefits during the pandemic forced State Workforce Agencies (SWAs) to prioritize speed over standard verification. Emergency declarations allowed for the easing of non-monetary requirements, such as waiving work-search rules and allowing self-certification of wages.

While these measures provided a lifeline to honest citizens, they created a massive opportunity for sophisticated criminals. One SWA experienced a **414% increase in UI claims** in a single month. The agency needed a way to identify fraudulent claims at scale and provide law enforcement with the evidence required for successful prosecution and fund recovery.

The IEM Approach: Beyond Traditional Auditing

IEM deployed a multidisciplinary "Forensic Strike Team" consisting of Certified Public Accountants (CPAs), Internal Auditors, Certified Fraud Examiners (CFEs), and Financial Crimes Investigators. This team was supported by IEM's data scientists and former law enforcement personnel to ensure every finding was legally sound.

Rather than looking at claims in isolation, our team utilized Proprietary Link-Analysis Engines to identify "Social Networks"—groups of thousands of claimants connected by common indicators like shared IP addresses, bank accounts, or physical locations. This method allowed us to uncover complex, transnational fraud schemes that traditional claimant-by-claimant techniques would never detect.

*A fraud becomes a crime when it is a "knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment" (Black's Law Dictionary).

Dedicated to Your Success



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Innovating for Action: From Raw Data to Prosecution-Ready Evidence

IEM didn't just flag suspicious activity; we built cases. We bridged the gap between a "suspicious lead" and an "indictable offense" by:

- **Analyzing Social Networks:** Mapping the connective tissue of 75 distinct criminal syndicates.
- **Forensic Documentation:** Analyzing claimant documents to evidence the specific elements of fraud present in each scheme.
- **Packaging for Law Enforcement:** Creating specialized, law enforcement-centric packages tailored for federal (DOL OIG), state, and local prosecutors.
- **Surpassing Standard Capabilities:** Providing a more complete investigation than existing agency OIGs, who often lack access to the specialized data tools and forensic mapping techniques IEM utilizes.



Achieving Results: Taxpayer Interests Protected

The impact of IEM's intervention was immediate and measurable:

- **\$1.1 billion+** in fraudulent UI benefits identified.
- **150,000+** fraudulent claimants flagged and removed from the system.
- **75 Criminal Networks** exposed and documented for legal action.
- **Faster Prosecutorial Action:** By delivering "prosecution-ready" packages, IEM allowed agencies to move directly to subpoenas and testimony, saving significant time and taxpayer money.



Strengthen Compliance. Protect Program Integrity.

IEM delivers the expertise and tools your agency needs to stay audit-ready and compliant. Our team supports AFWA efforts, enhances fraud detection, and helps you prevent improper payments through targeted guidance and technical assistance.

Together, we will reinforce your program integrity, boost operational resilience, and ensure resources reach the right people.

Need support?
Our experts are ready to help.

Learn More About Our Capabilities

IEM is committed to helping our clients and partners implement fraud program management solutions to prevent, detect, and recover future fraud activity.

IEM Fraud Program Management Services



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