



SC Department of Employment and Workforce
Article for Publication

For Immediate Release

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Protecting the state's financial stability and preventing fraud during COVID-19

S.C. Department of Employment and Workforce wants to make sure employers and workers are not abusing federal funding for which there could be severe consequences

When COVID-19 brought South Carolina's economy to its knees, employers were faced with tough decisions. They were left wondering how to keep their business afloat and their employees on the payroll amidst a global pandemic. For many, the Paycheck Protection Program (PPP), administered through the Small Business Administration, allowed employers to receive a calculated, forgivable loan if 75% or more of the loan was used to maintain payroll.

Unfortunately, as we have seen time and time again, there are individuals who will take advantage of an event or crisis for monetary gain. Even those whose intentions are charitable and trying to "help" their employees could be participating in fraud, which will be detrimental to both the business and the workers.

A national, growing fraud trend being monitored is individuals receiving a paycheck from their employer through the PPP program and simultaneously cashing in on unemployment benefits. Double-dipping from these two funding sources is a crime that cannot be accidentally committed. Each week during the claim certification, claimants are specifically and clearly asked if they have earned any wages for that claim week. DEW has access to tools and information where we cross-reference to verify the information is accurate. Once it's investigated and confirmed that a claimant is receiving both unemployment benefits and a paycheck from their employer, that individual's unemployment benefits will be withheld, they'll be required to repay all unemployment benefits received to date, and they are subject to face civil and/or criminal charges.

In addition, an employer who is found to be complicit to this fraud, can face penalties and will have their forgivable loan status revoked, meaning they will be required to pay the loan back in full to the lender.

If a worker claimed unemployment insurance before the business received a loan and then when the employer qualified for PPP they retroactively paid the worker for those same weeks, the individual will need to contact the agency to discuss repayment options in order to avoid criminal charges.



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Fraud is theft and theft is a crime. It's not something our agency takes lightly or tolerates because it ultimately steals money away from our neighbors and friends who are in need of assistance and are eligible for unemployment benefits. Our agency takes pride in being a good steward of the state and federal funding entrusted to us to maintain the integrity of the Unemployment Insurance program. Unfortunately, it's the few that ruin it for the majority. Rest assured, we will continue to monitor for this criminal activity in South Carolina and will take action when necessary.

To find out more about the unemployment insurance process during COVID-19, visit our website at dew.sc.gov.

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