

Comments before the House Oversight and Ethics Committee Related to the Unemployment Insurance Agency Fraud Practices

February 18, 2016

Thank you Chairman McBroom, and Committee Members, for taking the time to listen to my testimony today.

My name is Zachary Jones, and I am a Part-Time Lecturer at Eastern Michigan University. EMU considers Part-Time Lecturers to be contingent employees, thus we are qualify for Unemployment Benefits during the semesters in which EMU does not employ us.

Unfortunately, in my career at EMU I have been laid off six times. The last four times, I was forced to file for unemployment benefits in order to pay my rent, utilities, groceries, and student loans. The first two times went smoothly because EMU did not challenge or protest my right to Unemployment Benefits. However, the past two lay-offs, EMU has challenged my right. Their first challenge to my rights, I was able to secure a re-determination in my favor and EMU dropped their complaint.

This past year EMU contracted with Equifax to do their leg work in challenging my rights to Unemployment Benefits. EMU and Equifax were relentless. They raised a "question of eligibility and/or qualification"; however, a re-determination was made in my favor. They protested the first re-determination; a second re-determination was made in my favor. They appealed to an administrative judge; who ruled in my favor. They appealed to the Michigan Compensation Appellate Commission; who upheld the Administrative Law Judge's ruling in my favor.

At each step: a notification letter of the procedures was accompanied by an ominous warning from the UIA that these proceeding could result in a Fraud case against me with a consequence of restitution, fines and or prosecution.

The language used in these letters has a chilling effect on claimants that are eligible and qualified to receive Unemployment Benefits. Like I did, claimants

become fearful that their former employer or the state will claim they are perpetrating a fraud. Employers, like EMU, have an army of lawyers and contractors that can fight claims of fraud made against them. I don't have such an army, nor do my colleagues. I personally know of five colleagues over the years that decided against defending their rights of Unemployment Benefits out of fear of being accused of fraud. Fortunately, I was not intimidated as so many are.

I ask that the committee add language to House Bill-4982, that reaffirms a claimant's rights to unemployment benefits in all letters and notifications to the claimant and provides instructions on how to report employers engaged in protests and appeals based on fraudulent claims. I also believe that just as the claimant must pay restitution plus interest if they lose their appeals, the employer should also pay restitution plus interest when they lose their protests and appeals.

Thank you for your time. If you have any questions for me, I'll be happy to answer them to the best of my ability.

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