

PRESS RELEASE

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STATE LABOR DEPARTMENT MAKING STRIDES IN REDUCING UNEMPLOYMENT INSURANCE OVERPAYMENTS

Overpayments are dropping and recovery efforts are increasing

(DENVER) -- The Colorado Department of Labor and Employment announced today that it has made strides in addressing improper unemployment benefit payments. In September, following a U.S. Department of Labor review of all states' improper unemployment payments, representatives from the Labor Department were in Colorado to help the Department of Labor and Employment implement a plan to address overpayments.

That plan takes a three-pronged approach to improving the prevention, detection and collection of improper benefit payments. Prevention measures include increasing the number of staff processing claims, training of staff, claimant communication and outreach. Detection and collection efforts include increasing audit staff by more than 30% and the implementation of more sophisticated searching and tracking tools.

“These strategies have focused our efforts to prioritize both an immediate and a long term reduction to improper payments,” says Ellen Golombek, Executive Director of the Department of Labor and Employment, “and I’m pleased to report they are already seeing results. To date, we have already recovered \$23 Million in overpayments and these latest figures have been impressive. Between September and October, we saw a reduction in overpayments of \$1.1 million.”

Addressing overpayments is an ongoing challenge, she adds. “Fraud accounts for a relatively small portion of overpayments. More often, information regarding a claimant’s separation from work is received after a determination of eligibility is made or claimants may fail to do a proper search for work as Colorado law requires them to.

(More)

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We are required to pay benefits as soon as administratively feasible. To meet that mandate, we struggle in getting timely, accurate information to make an eligibility determination.”

It’s an ongoing job she stresses, “but our mandate is clear and our results so far have been encouraging.”

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