

# Nearly 24,000 Ohioans told to return unemployment payments

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The Ohio Department of Job and Family Services (ODJFS) has demanded that 23,597 Ohio residents, who the ODJFS claims were overpaid, begin paying back unemployment benefits that they received since March 15. The ODJFS request puts many residents in an impossible position as they are required to give back potentially thousands of dollars—which they likely used for food, housing and other necessities—despite being unemployed for potentially months.

The ODJFS, which is the state department that oversees unemployment compensation, has sent out notices to individuals that it claims received “overpaid benefits,” specifying that the “overpayment” was not the result of fraud.

While receiving “overpaid benefits” is not a crime, the ODJFS specifies on their website that the “debt” must be repaid within 60 days or it will be reported to “the Ohio Attorney General for collection” and federal income tax refunds could be intercepted. Recent notices, however, state that residents only have 45 days to repay the debt before it is reported.

The number of individuals that have been “overpaid” in the past has exceeded those accused of fraud, but the cases of alleged “overpayment” surged along with unemployment resulting from the economic impact of the COVID-19 pandemic. The ODJFS reported that in the first quarter of 2020 there were 7,527 cases of non-fraud overpayment and 1,347 cases of alleged fraud.

On March 15, Ohio Governor Mike DeWine ordered a statewide lockdown as part of efforts to slow the spread of the novel coronavirus. Between March 15 and May 30, about 1.3 million Ohioans applied for unemployment insurance with roughly half receiving their first payment by May 23. Out of the 680,000 who received benefits, roughly 3.5 percent will now have to repay at least part of their benefits.

ODJFS Director Kimberly Hall stated that “lagging data” and large influx of new claims can easily result in errors that lead to overpayment by the state agency.

Many workers, however, have expressed that it was a struggle to receive benefits even initially, and that it is financially and emotionally devastating to suddenly discover that they must repay the desperately needed payments.

Marnie Behan, a 21-year-old college student and waitress at Buffalo Wild Wings, went on unemployment after the restaurant chain closed due to the pandemic. One day, instead of her unemployment check, she received a notice claiming that she had to pay back \$3,000 within 45 days.

Describing her response to *19 News*, she said, “I started crying. A lot of things were going through my head, I was really upset. I was stressed and frustrated. Because it took six weeks for me to be approved for it in the first place.” She is currently appealing the decision.

Sarah Burns, who was furloughed on March 19 and returned to her job on May 26, started receiving unemployment benefits in April. Her benefits were retroactively denied, and she is now required to pay back the entirety of her benefits, which totals over \$5,000. She told *Eye on Ohio*, “That’s a big chunk of money, and it’s not like we [her and her husband] can just go to our bank and just take it out, you know? We’re not rich or anything.”

Some of the notices to workers telling them to repay their unemployment insurance also encouraged them to apply for Pandemic Unemployment Assistance (PUA). The PUA was created by Congress in March as part of the Coronavirus Aid Relief and Economic Security (CARES) Act and is set to expire at the end of the year. While the CARES Act rapidly transferred huge sums to

major corporations, the implementation of the PUA has been left up to individual states. Since many states were already overwhelmed by the volume of traditional unemployment claims, they have also failed to provide aid through the new program.

While Ohio has issued more than \$1 billion in PUA payments, unemployed workers in Ohio were only able to apply for PUA payments starting in mid-May, more than a month after the US Department of Labor provided guidance for the program. Many workers have also complained that they were automatically blocked from receiving PUA on the Ohio PUA website with the system claiming that they were eligible for Unemployment Insurance (UI), even after their UI claim was rejected.

Linda Gadek, a 1099 contractor who has been unemployed since March 21, had her UI claim rejected. The PUA website, however, claimed that she was still eligible for UI. According to *Eye on Ohio*, her son, Andrew Gadek, was able to get in touch with ODJFS representative. While the ODJFS informed him that his mother's case was going to be reviewed, he could not say when and advised him to call every day and frequently e-mail the ODJFS. Based on social media posts from other workers in a similar situation, the review process can take anywhere from 24 hours to six weeks.

The ODJFS agreed to pay Deloitte Consulting over \$5.7 million to install and implement the new PUA system, and another \$557,000 per month for "Hypercare" maintenance and operations. It is estimated that the new system will cost almost \$10 million.

Deloitte Consulting has set up PUA systems in New Mexico, Illinois and Colorado. In late May, Deloitte sent out an e-mail informing PUA applicants that there was a data leak, which exposed personal information for two-dozen applicants. Applicants in Colorado and Illinois were also impacted.

Ohio's handling of the rise in unemployment is emblematic of how the entire ruling elite in the US has responded to the COVID-19 pandemic. Despite the claims by both the Democrats and Republicans that the CARES Act would somehow ease the burden of unemployment and aid small business, it has instead served to transfer trillions to the big banks and corporations. At the same time, thousands of workers

struggle to receive and keep the benefits they worked for.



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