

Former employee working 'Under the table' can lose future unemployment benefits

Former employees who collect unemployment sometimes work “off the books” while collecting payments. For example, officially unemployed individuals may take casual or day-labor work for cash to make extra money while collecting unemployment benefits.

That’s illegal, of course. Those found to have violated the law by not reporting self-employment or casual labor may be banned from collecting unemployment in the future. They also will owe repayment. But unless the proper authorities know about the activity, nothing will happen.

Recent case: When Thomas Chishko was laid off, he collected about \$4,200 in unemployment compensation. But he also was working on renovating a house while he was unemployed. In fact, he had entered into an oral contract with a property owner to renovate her house for a monthly cash payment of \$700. The owner provided all the materials and agreed to evenly split any profit from the sale of the renovated house with Chishko.

The deal went sour, and Chishko tried to sue the homeowner, claiming he had worked about 55 hours per week on the project. The Pennsylvania Department of Labor found out about Chishko’s project when an anonymous tip came in. After hearing testimony from everyone, the Unemployment Compensation Board of Review concluded Chishko had deliberately filed a false application, should have reported his self-employment income and must pay back the \$4,200 he had received in unemployment compensation.

The board also barred Chishko from receiving unemployment in the future as a penalty. He’ll have to forgo two weeks of benefits for every week he wrongly collected payments. (*Chishko v. Unemployment Compensation Board of Review*, No. 677 C.D. 2007, Commonwealth Court, 2007)

Final note: The state unemployment compensation fraud hotline is (800) 692-7469.