



U.S. Department of Justice National Unemployment Insurance Fraud Task Force

Bank Account Number Padding Distribution for State Workforce Agencies Only

April 22, 2021

Since the start of the COVID-19 pandemic, there has been a significant increase of bank accounts opened using stolen personally identifiable information. These accounts, and those used by money mules, have facilitated wide scale unemployment insurance (UI) fraud.

The Department of Justice’s National Unemployment Labor Insurance Fraud Task Force (NUIFTF) is issuing this alert to warn state workforce agencies (SWA) of “bank account padding,” whereby bad actors insert additional digits before legitimate bank account numbers as shown below, where 1 through 9 represent a real account number.

34542**123456789**
56789**123456789**
75454**123456789**
85564**123456789**

Financial institutions (FIs) generally read bank account numbers from right to left (right trim) and may remove or not see the “padded” numbers in the front of a real account number. In the examples above, the bank account numbers provided by bad actors appear to be different when SWAs read them from left to right. However, they are actually the same account number when FIs read the numbers from right to left. This is because FIs may remove or not see the “padded” or excess numbers, when reading from right to left. This practice enables bad actors to receive the proceeds of multiple fraudulent UI claims into a single bank account.

The NUIFTF strongly recommends that SWAs take steps to identify padded bank account numbers being used to commit UI fraud and implement safeguards to prevent it in the future.

Individuals with information about UI fraud should call (202) 693-6999 or (800) 347-3756, or go to <https://www.oig.dol.gov/hotline.htm>