

UI Integrity Center of Excellence

A Year Later *A Year of Progress*

UWC Conference
June 17, 2015

San Diego, California

UI Integrity Center of Excellence

- A Brief Look Back
- NASWA's Role
- Progress to Date
- A Look Ahead

Purpose: To notify State Workforce Agencies of the opportunity to apply for Fiscal Year 2012 funds as the lead state to establish, via a cooperative agreement with the U.S. Department of Labor's Employment and Training Administration, a national UI Integrity Center of Excellence (Center). The Center will develop and promote innovative UI program integrity strategies to reduce improper payments and prevent and detect fraud.

- The UI Integrity Center of Excellence is a laboratory of innovation for integrity strategies in the UI program, focusing on the prevention, detection and recovery of improper payments.
- The Center serves the needs of its state customers. It is overseen by a Steering Committee with representatives from: NY, NJ, OH, SC, CO, WA, NASWA, and USDOL.
- The Center's major deliverables are to:
 - Develop a Secure Portal for information sharing,
 - Build state capacity to efficiently access existing public and private data sets and effective tools to increase fraud detection thru cross matching,
 - Identify and disseminate promising practices for state fraud prevention across the UI program
 - Develop and deliver training on fraud solutions and integrity strategies to all states.
 - Develop a data analytics and predictive modeling solutions states can use to prevent and detect improper payments, and
 - Serve as a laboratory for innovation.

RFP's had been issued for:

- A training assessment and development of an initial fraud training module, and
- Development of a real-time or near real-time, data analytics and predictive modeling and management review Tool
- Work on the Portal was progressing

There was also possibility of a contract with NASWA to:

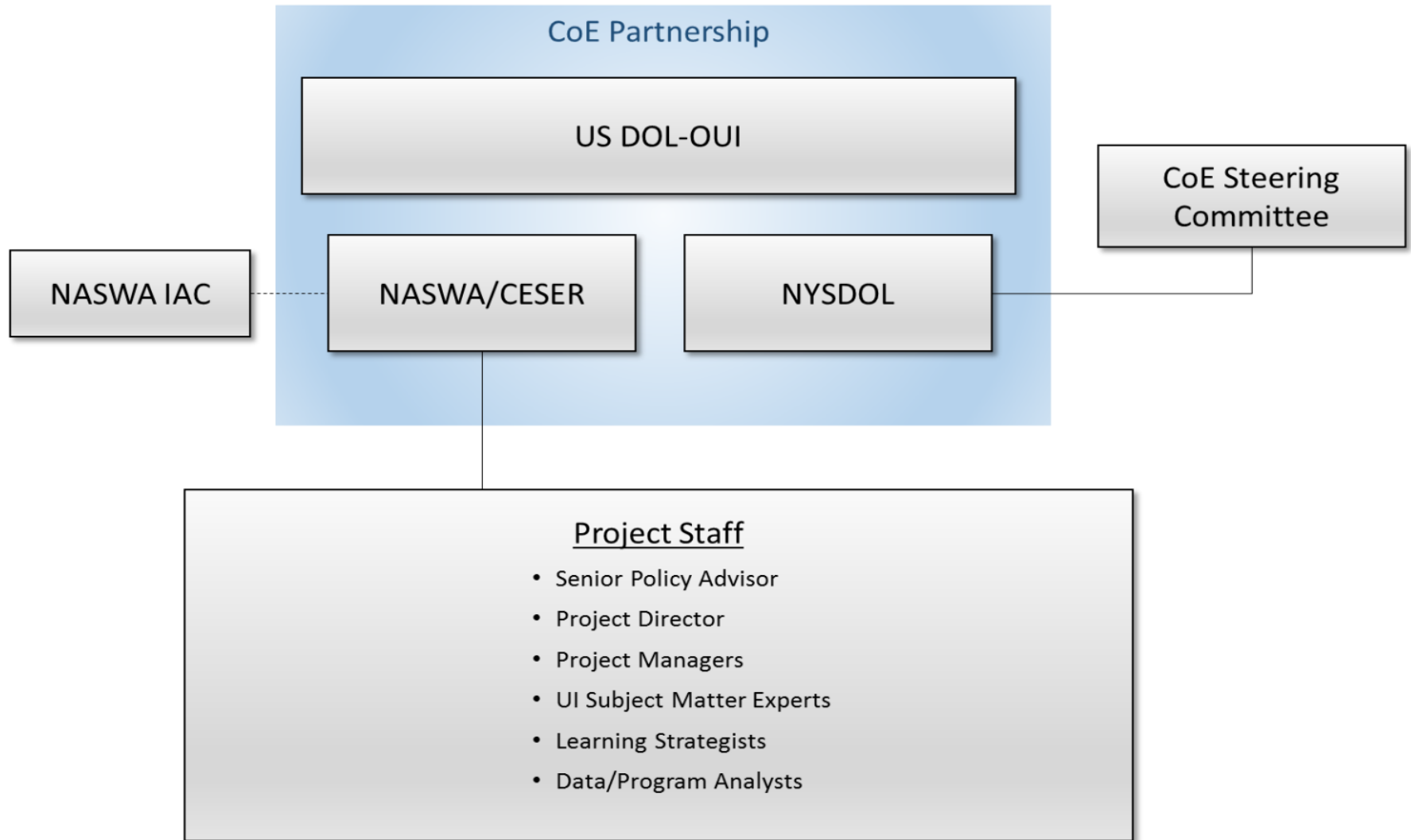
- Develop an Integrity Improvement Investment process to fund short time Integrity Improvement projects.
- Develop and fund a UI Integrity Training Academy
- Host a National UI Integrity Vendors Conference
- Design & build a secure portal, acquire access to data to create a UI data sharing, cross match portal.
- Develop a model BPC Operation Plan
- Conduct a state assessment, and inventory of current integrity efforts in the states
- Identify and engage a cadre of UI Integrity SMEs on call to assist states with BPC/Integrity efforts.
- Develop a chapter for the ITSC UI IT Modernization Guidebook and Wiki to highlight integrity practices

- The Center entered into a contract with Mathematica to deliver nationally consistent and locally adaptable integrity training and with Elder Research to pilot a data analytics/predictive modeling solution for states.
 - ✓ Mathematic has finished a state assessment and is developing initial training modules
 - ✓ Elder Research is working with KS and ID to develop the data analytics tool
- The Center's entered into a contract with NASWA/CESER to address stated needs including: specialized training, access to a wider array of data for cross-matching purposes, and to develop model practices and processes for benefit payment control.

- The NYSDOL issued a \$12 million subcontract to CESER on behalf of the Center to perform a set of ten tasks.
- CESER is partnering with, and coordinating activities, with NYSDOL, USDOL and the Center Steering Committee.
- NASWA's Board approved the CESER Contract at meeting in Burlington, VT in September 2014 and:
 - ✓ Asked NASWA's UI Committee to engage and provide advice and oversight.
 - ✓ Board agreed not to micro-manage the contract

NASWA established a member based advisory group thru the UJI Committee to oversee the specific work described in the Contract:

- ✓ The Integrity Advisory Committee (IAC) includes Center Steering Committee members but also includes Subject Matter Experts (SMEs) from other states.
- ✓ The IAC informs processes, procedures, for operation of the CESER Contract.
- ✓ The IAC will inform an evaluation component to analyze the effectiveness of the tasks undertaken.
- ✓ The IAC will review and comment on all CESER contractual activities



Name	State	UI Committee Member	CoE Steering Committee Member
Harold J. Wirths - Chair	New Jersey		
Michelle Beebe - Vice Chair	Utah	X	
Bradford Ward	Texas		
Cheryl Stanton	South Carolina	X	X (State)
Daryle Dudzinski	Connecticut	X	
Dean Izzo	Florida		
Evan Littrell	Nebraska	X	
Jeff Fitzgerald	Colorado	X	X
Josh Richardson	Indiana	X	
Kate Shelby	Indiana		
Marco Morales	Illinois		
Neil Gorrell	Washington	X	X
Octavia Romans	Georgia		
Ornetta Craig	Maryland		
Patrick Holmes	Washington D.C.	X	
Ron Marino	New Jersey	X	X
Trina Taylor	Illinois	X	

Staff	Role
Randy Gillespie	Integrity Project Director
James Van Erden	NASWA Sr. Policy Advisor
Amy Smith	Project Manager, UI Integrity Academy
James Cotter	Project Manager, UI Data Hub
Michelle Marshel	Project Manager, State Engagement
Sara Hall-Phillips	UI SME; Project Manager, Knowledge Library
Maria Noble	BPC SME; Project Mgr; Integrity Symp; St Liaison
Christine Paquette	UI SME (PT); State Liaison
Brian Langley	UI SME (PT)
Bill Starks	UI SME (PT); State Liaison
Shirley Gresham	Lead Instructional Designer

- Engage states in a national effort to improve integrity.
- Develop a national UI Integrity Academy.
- Create a UI Integrity Data Hub to expand data cross match efforts.
- Conduct a UI Integrity Technology Symposium.
- Establish a funding process for UI integrity initiatives.
- Develop a Digital Knowledge Library

Objectives

- Establish an *Advisory Group* to oversee specific work in conjunction with the Center Steering Committee.
- Develop and implement an *Outreach and Engagement* strategy to solicit information and suggestions from states.
- Solicit a contractor to conduct an *Assessment and Inventory* of current integrity efforts of states.
- Develop a *Model BPC Operation Plan* designed to assist states in operationalizing integrity-related promising practices.

Completed Activities

- Prepared a marketing document to provide information and gain buy-in.
- Assigned NASWA integrity staff as liaisons to each state.
- Created a database to house state integrity information.

Current Activities

- Creating a dedicated State Portfolio for each state.
- Developing a NASWA website for the Integrity Center <http://www.naswa.org/integrity>

Future Activities

- Solicit a vendor to conduct a nationwide assessment of tools and promising practices.
- Create a model BPC operational blueprint.
- Assist states in assessing integrity needs and implementing solutions.
- Create an Integrity Center communication tool for regular updates.

- Large turnover of UI Directors
- Two states not connected to the National Director of New Hires database
- Several states engaged in initiating new cross-matching systems with other agencies (motor vehicles, social services, corrections) to help improve identity, address and wage verification as well as to predict fraud.
- Several states have launched new overpayment recovery efforts:
 - Hold on personal financial transactions
 - Lien on personal property
 - State lottery offsets
 - Garnishment of wages or royalty distributions
- Many states listed identity theft, fictitious employer schemes, under-staffing, lack of funding for integrity initiatives and the need for improved BAM measurements in their top ranking of national integrity issues.

Does your state use software/data analytics for fraud prevention and detection?

Answer Options	Response Percent	Response Count
Yes	84.8%	28
No	15.2%	5
answered question		33
skipped question		1

Please indicate which processes use software/data analytics for fraud prevention and detection. Check all that apply.

Answer Options	Response Percent	Response Count
Identity software as part of the initial claim process	21.4%	6
Cross matches such as with DMV during the initial claim process	28.6%	8
Foreign Internet Protocol (IP) address software as part of the IC process	50.0%	14
Cross match with NDNH	100.0%	28
Other cross matches after the claim has been filed	96.4%	27
Social Security Number verification	78.6%	22
Other (please specify)		12
answered question		28
skipped question		6

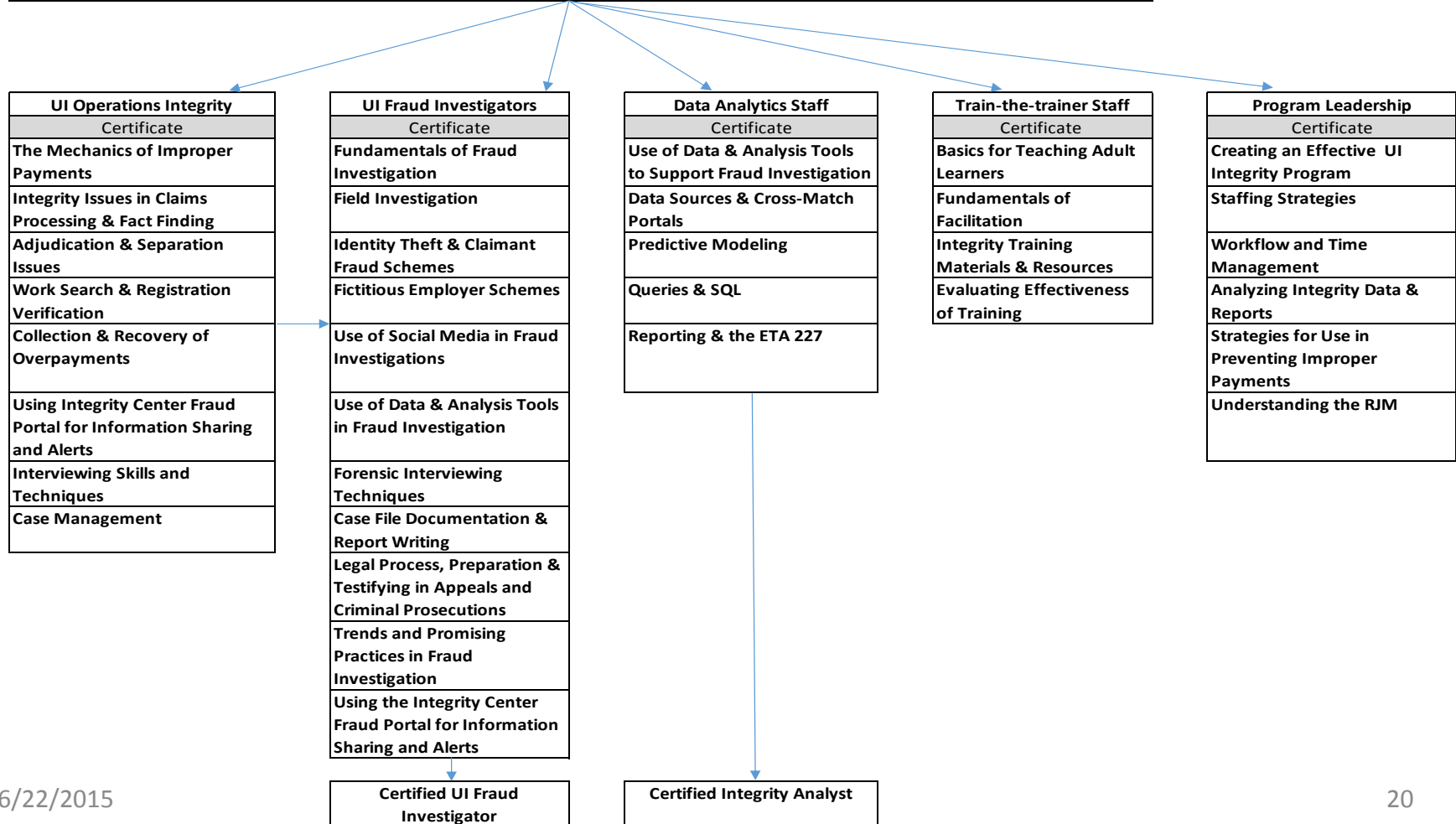
Objective

Create an Unemployment Insurance National Integrity Academy (UINIA) dedicated to providing high quality, continually updated, integrity related training programs and materials to state administrative agencies

Activities Underway

- Creating a program of stackable credentials and certificate programs.
- Creating a program of study outline.
- Defining learning objectives for courses.
- Hiring curriculum development staff and vendors.
- Seeking educational partners.

Fundamentals of Unemployment Insurance Integrity
Certificate
<p>What is UI Integrity</p> <p>Statutory/Regulatory Basis for Integrity Initiative</p> <p>Overview of Scope of Integrity Issues -- Statistics, Prevalence, Impact</p> <p>Overview of Causes Improper Payments</p> <p>Claimant & Employer Roles in Overpayments</p> <p>Overview of Tools & Resources to Assist States</p> <p>Overview of Trends & Promising Practices</p>



Future Activities

- Develop curriculum
- Determine training delivery method(s)
- Deliver regular training
- Confer credits and certificates
- Continually assess training needs and training effectiveness
- Continually update training content to ensure ongoing relevance

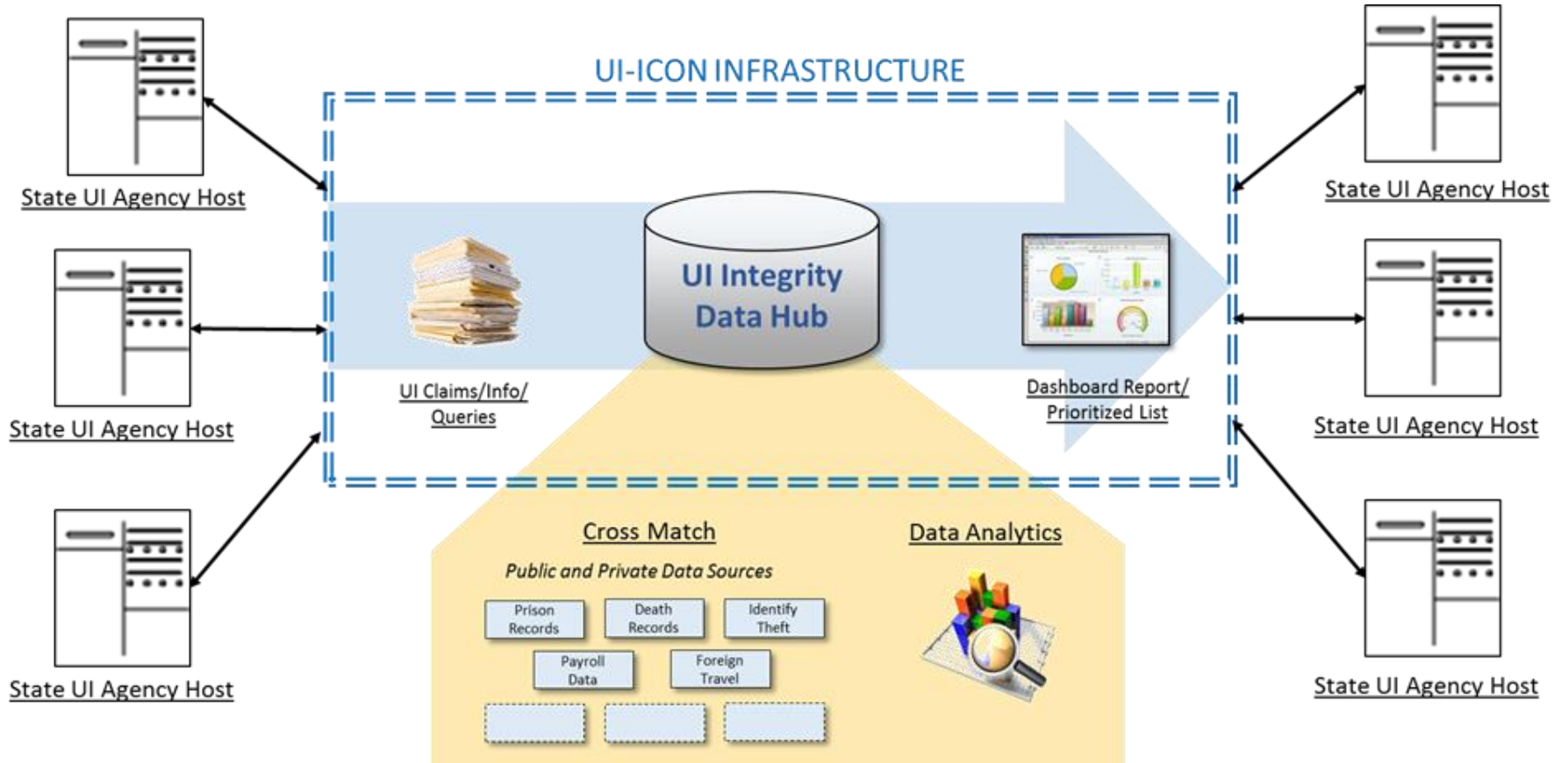
Objective

- Design and build a single, easily accessible data hub for purposes of cross-matching and data retrieval.
- Provide ease of access to states to a variety of data sources that may otherwise not be available to them.
- Eliminate the duplication of effort of multiple states attempting to connect to the same sets of national data.

- One of the critical issues facing states is the need to access and utilize additional data for integrity cross- matching purposes.
- There are a number of national and state level data sets that would, if accessed, provide a powerful tool for states' efforts to identify and prevent improper payments and fraud.
- The process of gaining access to these data sets is challenging, posing many obstacles and requiring a dedicated and consistent effort.
- In addition, once access becomes available, many state IT departments are overwhelmed and under-resourced, affecting their ability to create the electronic connections necessary to effectively utilize the data sources.
- The increasing need to create integrity-related IT solutions impacts and disrupts state UI modernization efforts.
- Many states are forced to prioritize the modernization of antiquated benefit payment systems over integrity-related IT projects.

The goals of the UI IDH hub are to improve state capacity to prevent and detect improper payments and fraud by:

- Designing and building a single hub with interfaces to multiple state and national databases for purposes of cross-matching and data retrieval;
- Eliminating the duplication of effort of multiple states attempting to connect to the same sets of national data;
- Providing states ease of access to a variety of data sources that may otherwise not be available to them; and to
- Eventually providing increased ability of states to analyze and sort the myriad of potential hits returned to them from multiple sources through the use of data analytics and predictive modeling solutions.



- To facilitate the efficient development of the UI IDH, NASWA intends to explore and pilot test how best to utilize the existing USDOL sponsored UI Interstate Connectivity Network (ICON) infrastructure to support data cross-match capability and make it easier for states to access data that is or can be made available on a national level.
- Under this construct, the IDH would utilize incoming data elements submitted by states into ICON applications for cross-matching against data sources that have been procured/accessed by the IDH. The IDH would then send hits back to the states through a process that is most appropriate to each individual state.

Objective

- Facilitate an Integrity Technology Symposium linking public and private sector subject matter experts on the use of technology and promising practices to combat UI Fraud.
- Vendors with software and analytics tools dedicated to identifying and preventing potential fraud and existing state-vendor partnerships will demonstrate promising practices in the use of IT in integrity efforts.
- Symposium will be held September 1 & 2, 2015 in Washington D.C.

Completed Activities

- Approval granted by USDOL.
- Training and Employment Notice (TEN) with symposium announcement and meeting logistics finalized.
- Venue selected.
- Draft agenda developed.

Current Activities

- Ideas for sessions and workshops drafted – working to secure presenters.
- Travel assistance funding process for state attendees being created.
- Develop marketing for the symposium

Future Activities

- Finalize agenda, sessions and workshops and presenters.
- Finalize travel assistance process.
- Launch marketing/outreach for the symposium.



Plenary and Workshop topics:

Plenary Topics *being developed*

- Using Data Analytics/Predictive modeling to prioritize workload
- Identity Theft and Verification/Authentication
- Prevention vs. Detection

Workshop Topics *being developed*:

1. Partnering/data sharing with other State, Federal, & Private entities on fraud
2. Promising Pilots on UI fraud
3. Unique and cost effective state data cross matches and data mining being implemented
4. Claimant, Employer, Internal, and Community Messaging tools to reduce and prevent overpayments and ensure system security
5. Preventing and detecting Fictitious Employer Schemes and effective prosecution strategies
6. Internet Protocol Addresses – use of URLs to prevent and detect UI fraud
7. Effective uses of Supplemental Budget Requests to enhance State Integrity efforts
8. Effective overpayment recovery implementations
9. Strategies and tools for lowering your Benefit Accuracy Measurement Improper Payment Rate
10. Improving your National Directory of New Hire reports and matches

Objectives:

- Make funding available to support state integrity efforts
- Develop an integrity improvement investment funding process
- Issue sub-contract awards (average of approximately \$100,000)

Objective

This Task is comprised of two distinct sub-tasks to be accomplished independently of each other.

- The **first sub-task** NASWA/CESER will create an online knowledge library in order to facilitate ease of access to research, training, materials, and other resources for state unemployment insurance agencies.
- Under the **second sub-task**, NASWA/CESER will leverage CESER's Information Technology Support Center's (ITSC) existing UI Modernization Wiki to ensure that integrity concepts and practices are highlighted and emphasized in state UI modernization efforts.

Questions?

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