Unemployment Insurance Integrity Center
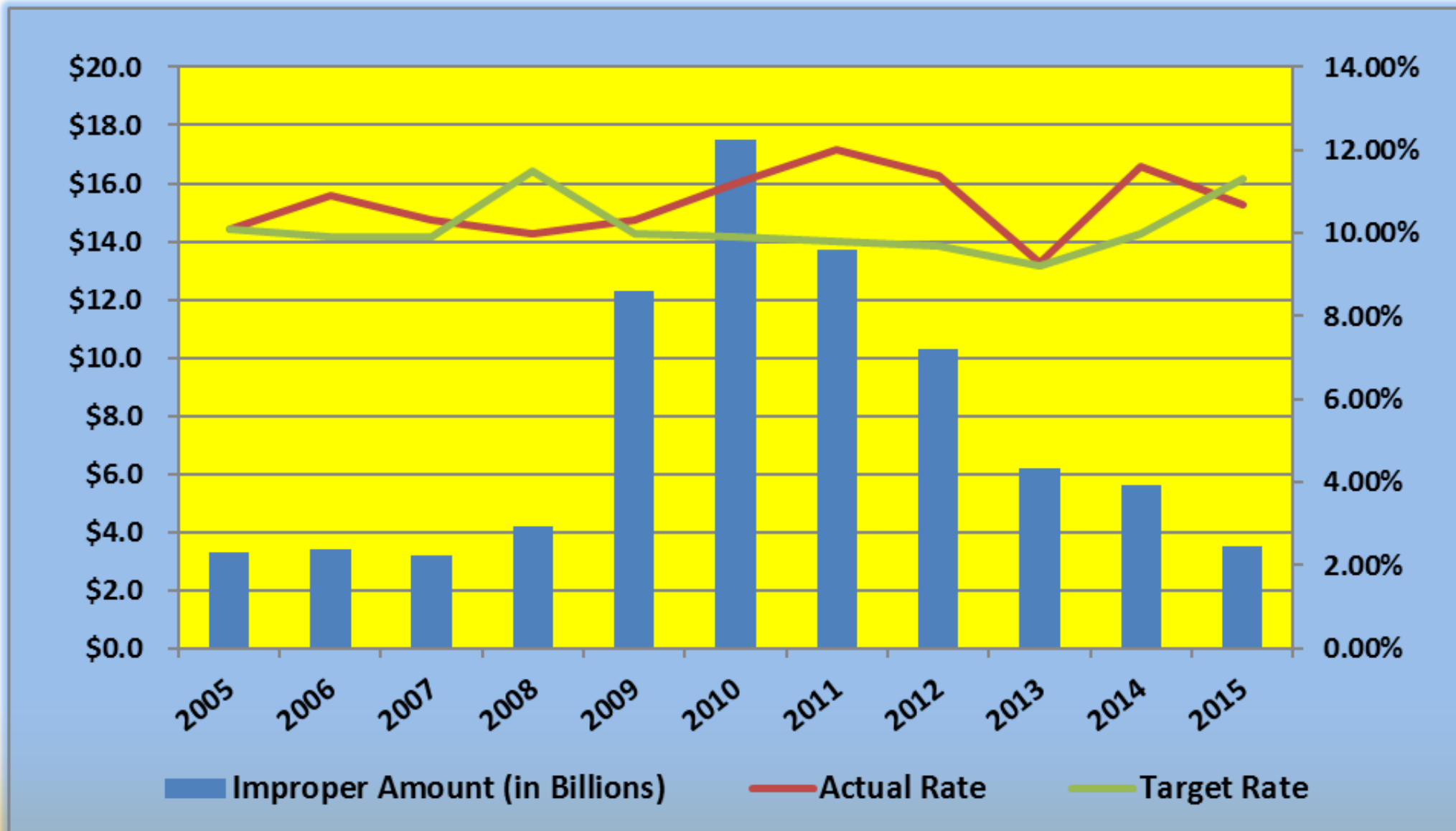
UWC Annual Conference

June 24, 2016

Kansas City, KS

UI Improper Payments, Rates and Targets

Legend: Improper Amount (in Billions) — Actual Rate — Target Rate

Agenda

Where We Came From

The Road Ahead

Project status

Questions?

Possible CESER Activities 2014

➢ Develop an Integrity Improvement Investment (III) process to solicit and fund short time Integrity Improvement sub-contracts.

➢ Develop and fund a UI Integrity Training Academy that would:
   ✓ Implement a research and training component for state Benefit Payment Control staff,
   ✓ Implement a research and training academy for state data analysts,

➢ Host a National UI Integrity Vendors Conference

➢ Design & build a secure portal, acquire access to data to create a UI "Do Not Pay" analogue portal.

➢ Develop a model BPC Operation Plan

➢ Identify and engage a cadre of UI Integrity SMEs on call to assist states with BPC/Integrity efforts.

The Center Going Forward

USDOL signed a new Cooperative Agreement with NYSDOL.
There are significant changes in the structure and responsibly for NASWA, NYSDOL and USDOL in the new agreement.

NASWA Signed a new Contract with NYSDOL in December 2015

Key provisions include:
- Restructured the Integrity Center, NASWA is the lead organization responsible for the operation of the Center.
- Center operated by NASWA Management Team and Project Director.
- NASWA modified Steering Committee Charter to provide for an expanded number of member states and to revise the terms and requirements.
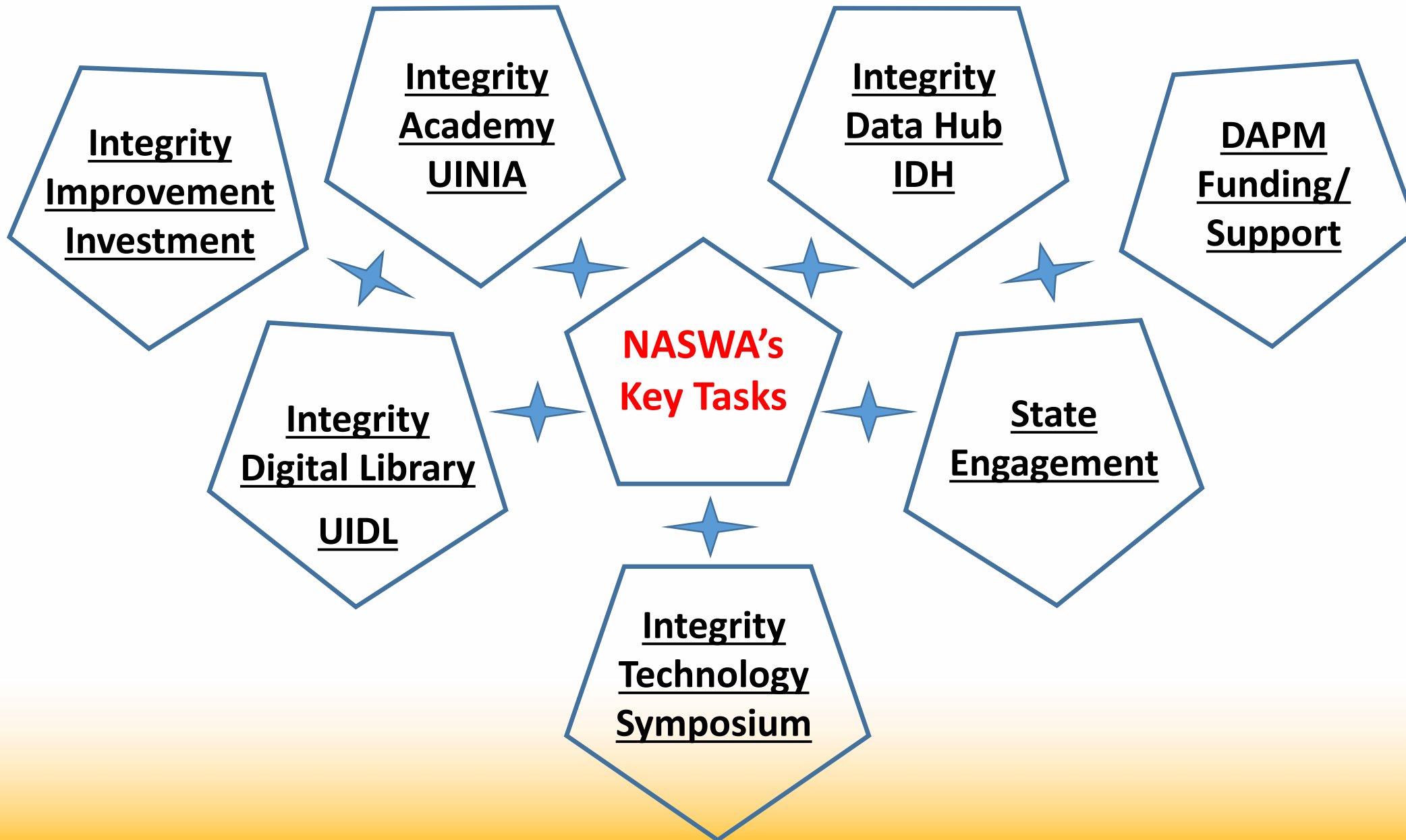
Center Organizational Structure
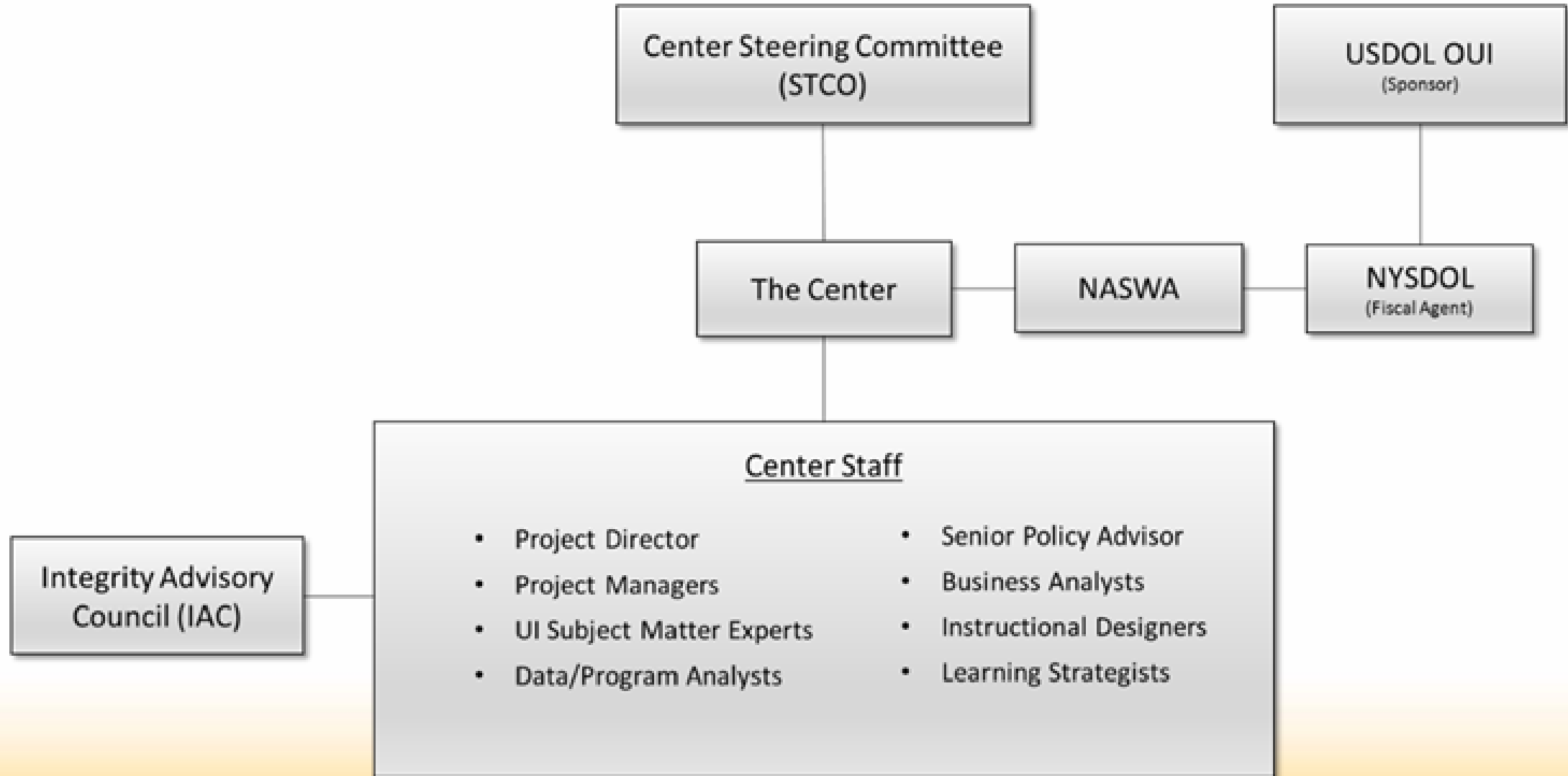
Integrity Center Steering Committee

	Integrity Center Steering Committee		
	5/9/2016		
NASWA Members	**State**	**Title**	**Appt Thru**
Neil Gorrell Chair	WA	Employment System Policy & UI Director	12/31/2016
Bradford Ward Vice Chair	TX	Director II, Office of Investigations	12/31/2017
Jeff Fitzgerald	CO	UI Director	12/31/2016
Tom Clendenning	FL	Director Workforce Services	12/31/2017
Brenda Nordlund	MT	Administrator UI Division	12/31/2017
Evan Littrell	NE	UI Administrator Benefits	12/31/2017
Ron Marino	NJ	Assistant Commissioner Income Security	12/31/2016
Mickey Ford	OH	UC Program Administrator	12/31/2016
Beth Townsand	IA	Director, Iowa Workforce Development	12/31/2016
Michelle Beebe	UT	UI Director	12/31/2017
USDOL Members			
Brad Wiggins	USDOL	UI Mgmt. & Program Analyst	TBD
Subri Raman	USDOL	Div. Chief, Pgm Mgt	TBD
NYSDOL Members			
Jim Konicki	NY	Director of UI Integrity and Quality Control	TBD

Integrity Improvement Investment

Integrity Academy UINIA

Integrity Data Hub IDH

DAPM Funding/ Support

Integrity Digital Library UIDL

NASWA's Key Tasks

State Engagement
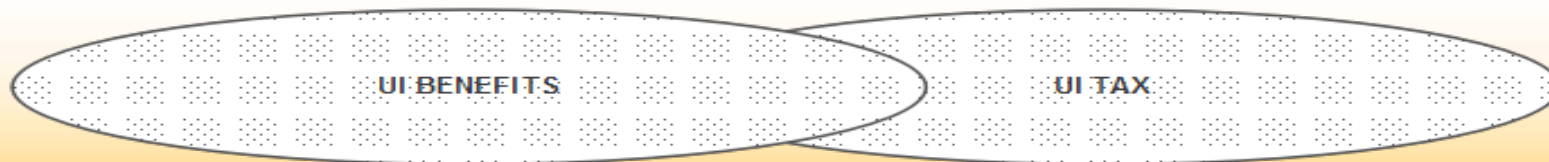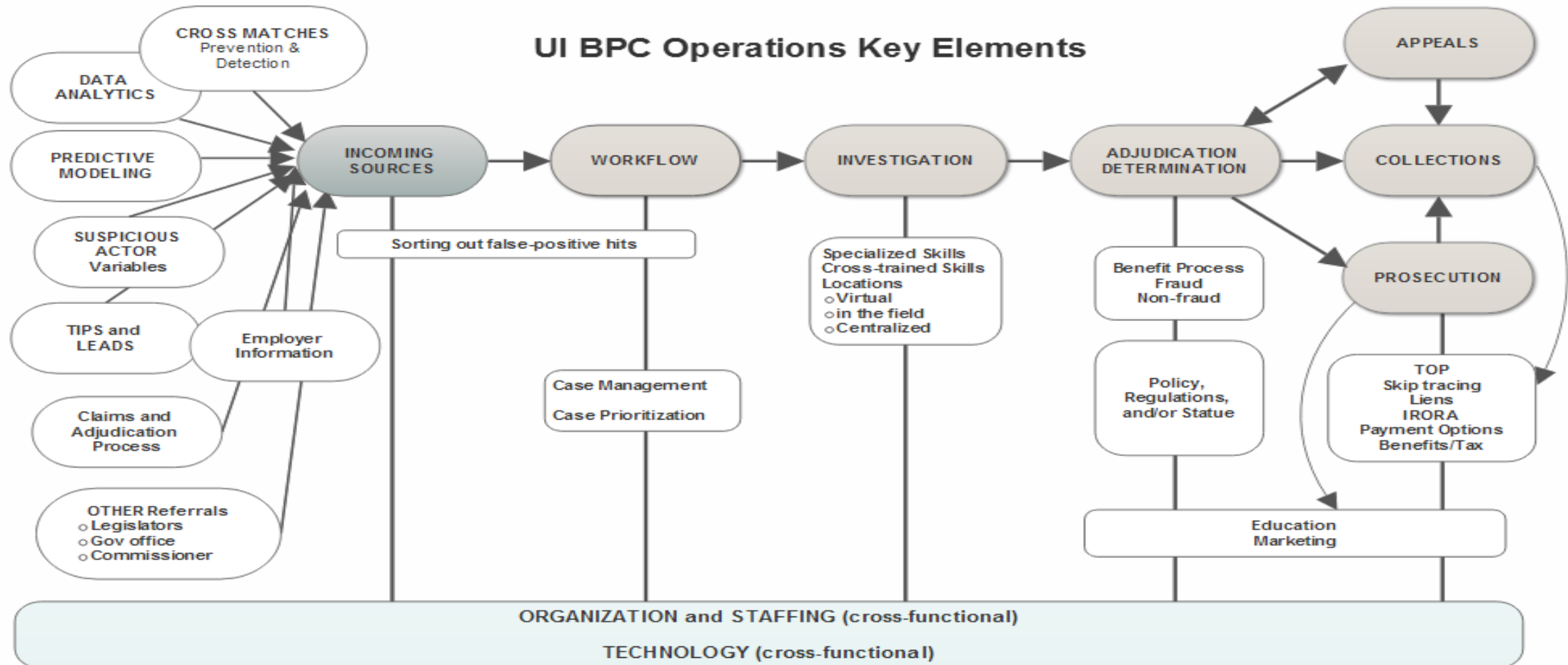
Integrity Technology Symposium

Utilizing State Information

Create comprehensive set of information on state operations & practices

Make this extensive information set available to a variety of state leaders (UI Directors, Operations Executives, etc.) to enable them to:

- Easily find information on promising practices
- Explore other state operations
- Look at integrity practices from a broad overview perspective
- Enable drill down to specific practices/topic areas of most relevance to them

Model Operational Blueprint

UI BPC Operations Key Elements

Incoming Sources inputs:
- CROSS MATCHES Prevention & Detection
- DATA ANALYTICS
- PREDICTIVE MODELING
- SUSPICIOUS ACTOR Variables
- TIPS and LEADS
- Employer Information
- Claims and Adjudication Process
- OTHER Referrals
  - Legislators
  - Gov office
  - Commissioner

Main process flow:
INCOMING SOURCES → WORKFLOW → INVESTIGATION → ADJUDICATION DETERMINATION → COLLECTIONS

- WORKFLOW: Sorting out false-positive hits; Case Management; Case Prioritization
- INVESTIGATION: Specialized Skills; Cross-trained Skills; Locations — Virtual, in the field, Centralized
- ADJUDICATION DETERMINATION: Benefit Process Fraud Non-fraud; Policy, Regulations, and/or Statue
- APPEALS
- COLLECTIONS
- PROSECUTION
- TOP Skip tracing Liens IRORA Payment Options Benefits/Tax
- Education Marketing

ORGANIZATION and STAFFING (cross-functional)

TECHNOLOGY (cross-functional)

UI BENEFITS   UI TAX

Integrity Investment Funding

OBJECTIVE: Support states by providing funding to pilot tools, strategies and/or innovative initiatives to prevent improper payments

STRATEGY:

- Establish advisory subcommittee
- Minimize administrative burden on states
- Engage key stakeholders to evaluate applications

IFF Projects Funded

State	Amount	Summary of Project
Alabama	$250,000	To utilize the technology and data source, Accurint and Investigative tools by LexisNexis, to provide data analytics and predictive modeling.
California	$250,000	To integrate link analysis capability to existing Pondera Fraud Detection as a Service (FDaaS) platform to assist in finding links between claimants, fictitious business operations and clusters.
Florida	$250,000	To make additional improvements in the Florida Reemployment Assistance Fraud Intelligence Rating and Rules Engine (FIRRE) that will help prevent and detect identity theft.
Georgia	$250,000	To implement **G**eorgia **U**nemployment **A**lert/**R**eady/**D**efend Against Fraud Initiative -- a 3-pronged effort to reduce fraud for claimants, business and staff by creating two 3-minute videos for claimants and business, along with a self-directed, multi-media fraud awareness training for workforce staff.
Indiana	$61,500	To implement an online job search training and engagement system that includes job search requirements that are 100% certifiable and trackable in real time.
New Mexico	$250,000	To expand the Improper Payment Prevention Initiative (IPPI) to include analytics on employers and design an Integrity Data Mart to store consolidated claimant, employer data and extracts from other state agencies in order to support risk calculation scores.
North Carolina	$140,000	To conduct a 3-pronged integrity project that focuses on the prevention of internal fraud by providing ACFE membership & certification to 7 auditing staff and purchasing ACL Analytics Exchange to reduce claimant and employer fraud, and enhance cross-matching efforts.
Texas	$250,000	To enhance the Identity Theft FraudX algorithm by adding data associated with any post initial claim contact by a filer to detect and prevent ID theft related fraud on continued claims, in addition to initial claims.

UI Digital Library for Integrity (UIDL)

The UIDL will be a managed collection of UI integrity information available online to state and Federal UI programs.

The UIDL will provide states with access to comprehensive materials to help states:

- Prevent and detect improper payments and fraud, and
- Recover any improper payments made within their UI programs.

Integrity Data Hub

OBJECTIVE:

Design and build a single hub with interfaces to multiple databases for purposes of cross-matching and data retrieval.

STRATEGY:

- Identify and document available data sources

- Establish pilot projects to evaluate design alternatives

- Establish and validate data collection mechanism

- Develop data sharing agreements

Suspicious Actor Repository (SAR)

- The SAR is envisioned to collect "suspicious actor" information from participating states and aggregate this information in a master file.

- The SAR would then compare initial and continued claims against suspicious actor data and identify matches so states can conduct further investigation as appropriate

- Users would have the option to query the system to determine if any of the selected data elements from one of their claims matches information in the SAR.

- The SAR will serve as the IDH foundation, which will provide interfaces to additional databases for cross-matching & support expanded data analysis and analytics.

SAR Pilot States
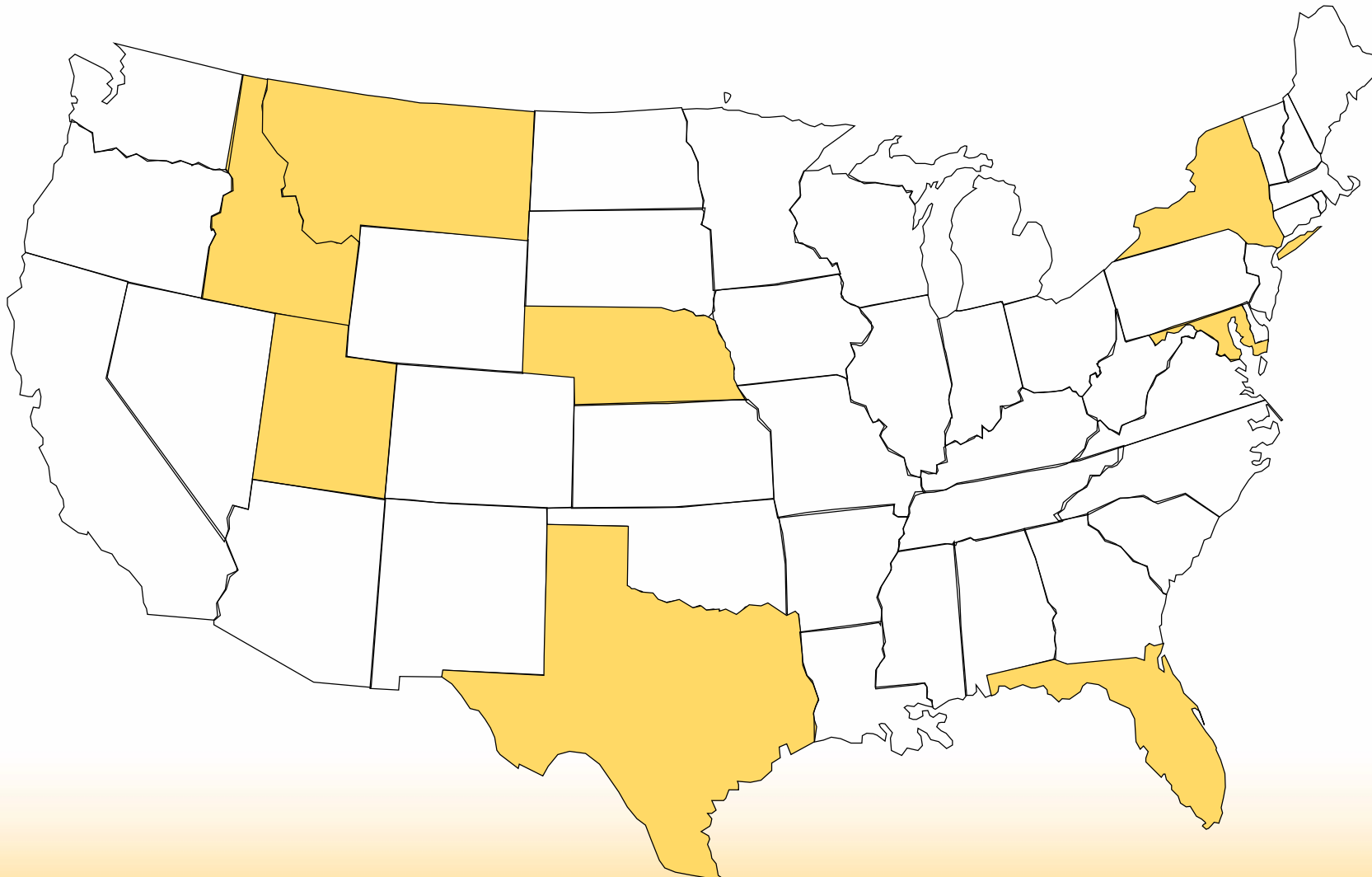
- Maryland
- Nebraska
- Montana
- Idaho
- Utah
- New York
- Florida
- Texas

SAR Operations
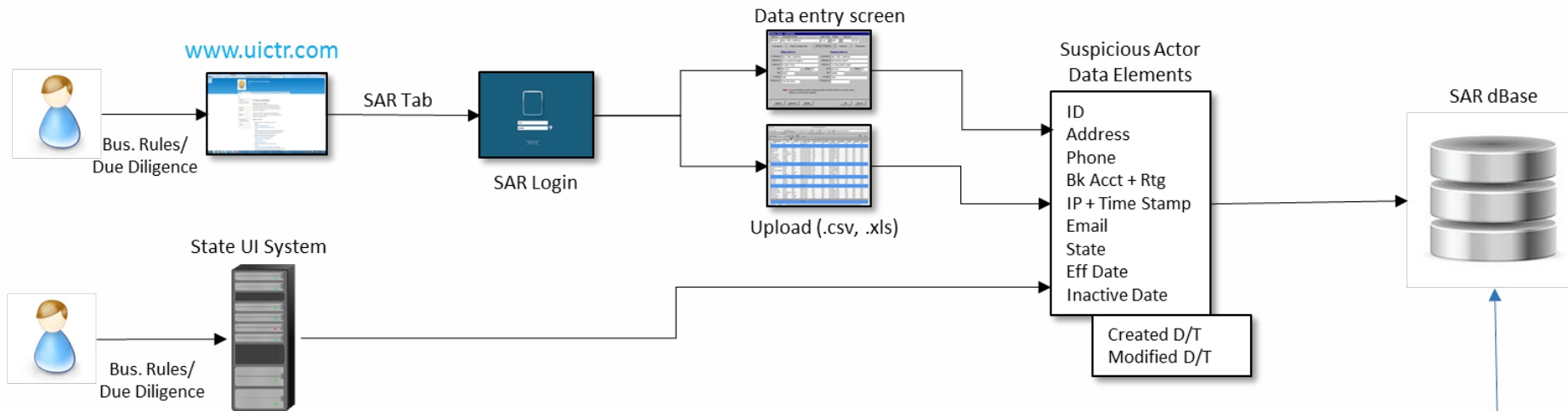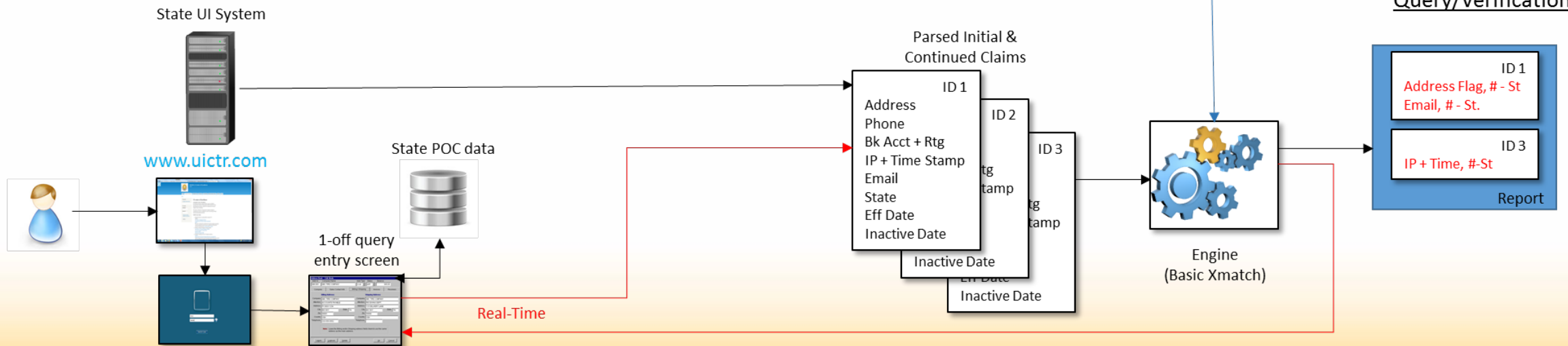
Integrity Data Hub Vision
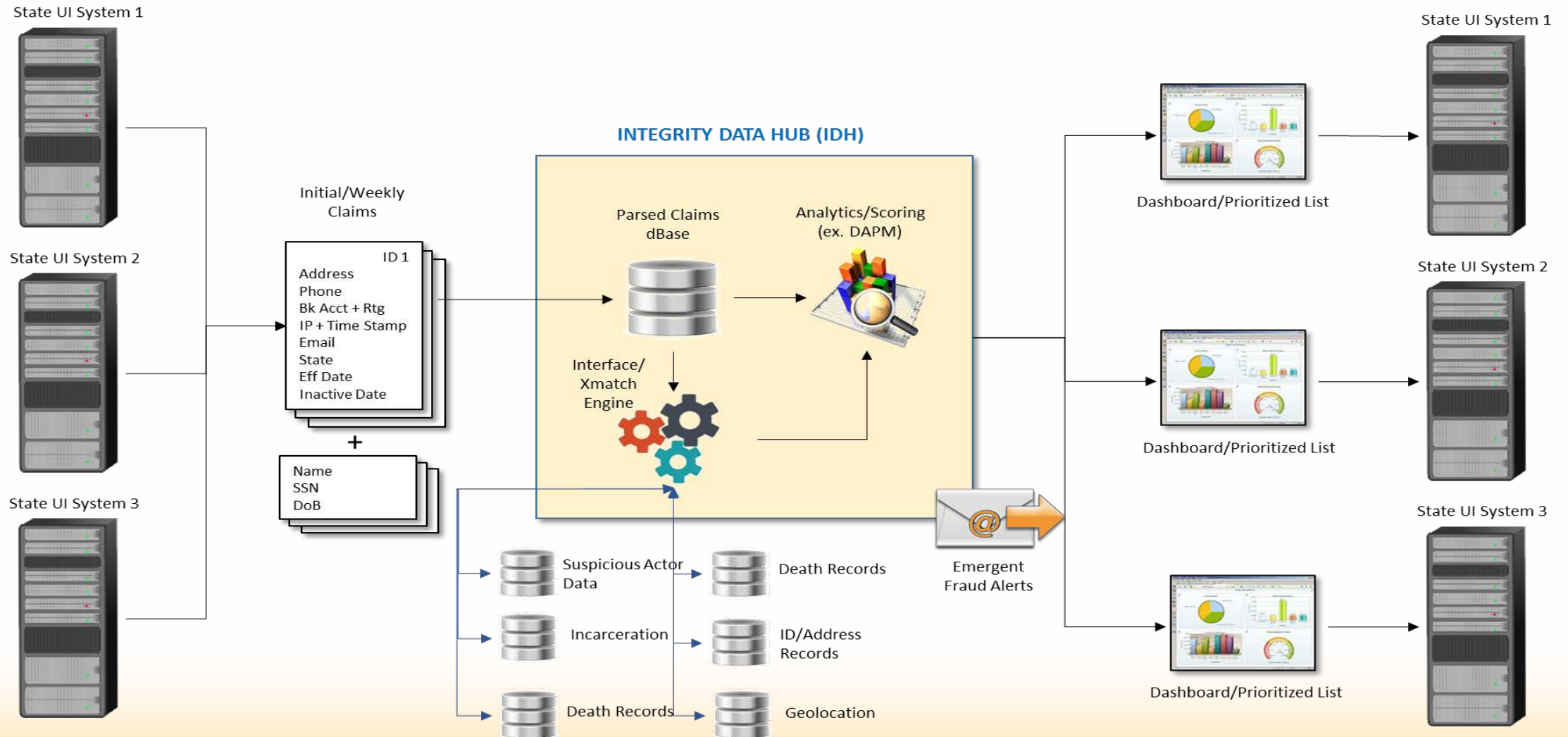
National Integrity Training Academy

OBJECTIVE: Provide high quality, relevant integrity-related training programs and materials to state administrative agencies.

STRATEGY: Develop a series of stackable certificates that provide multiple career pathway options for state UI staff.
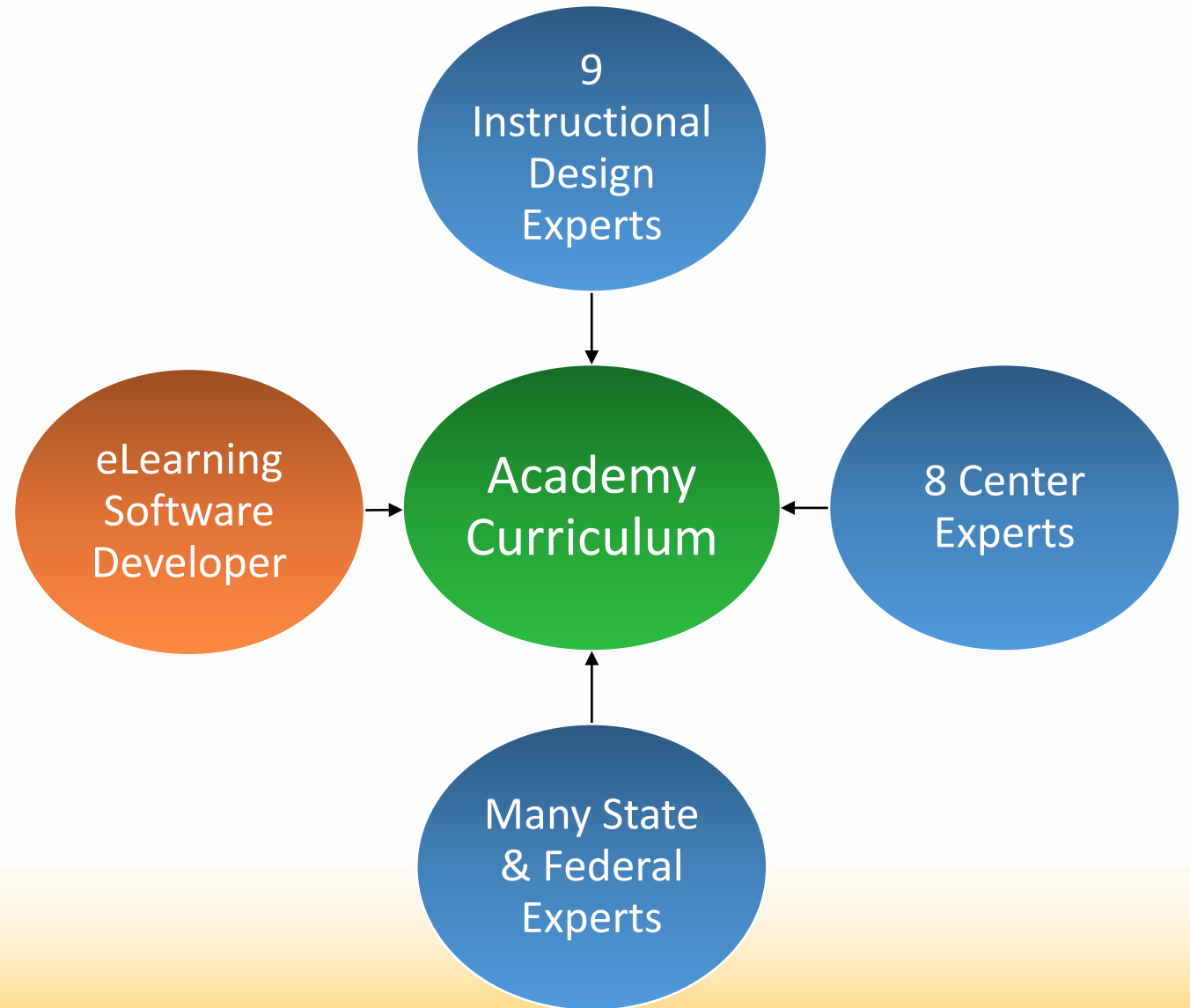
- **Blended Learning:** Instructor-led, self-paced, eLearning

- **Interactive:** Allow for sharing of promising practices & collaboration

- **Scalable:** Certificates are modularized

- **Current:** Courses are relevant to states
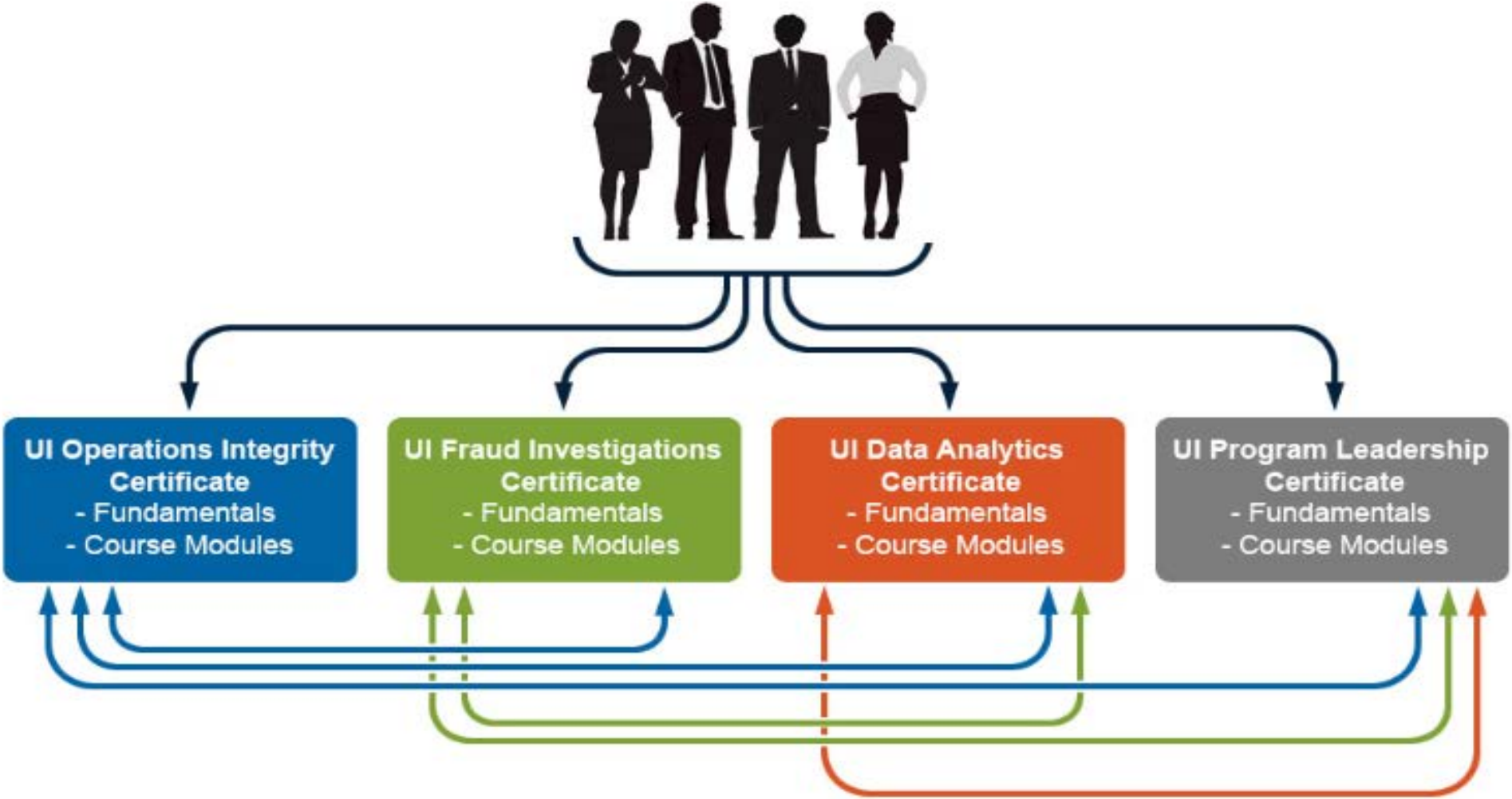
Academy Team

- Training content
- Instructional design
- Software development

Instructional System Design Process

- A.D.D.I.E Model approach
  - **Analysis** ✔
  - **Design**
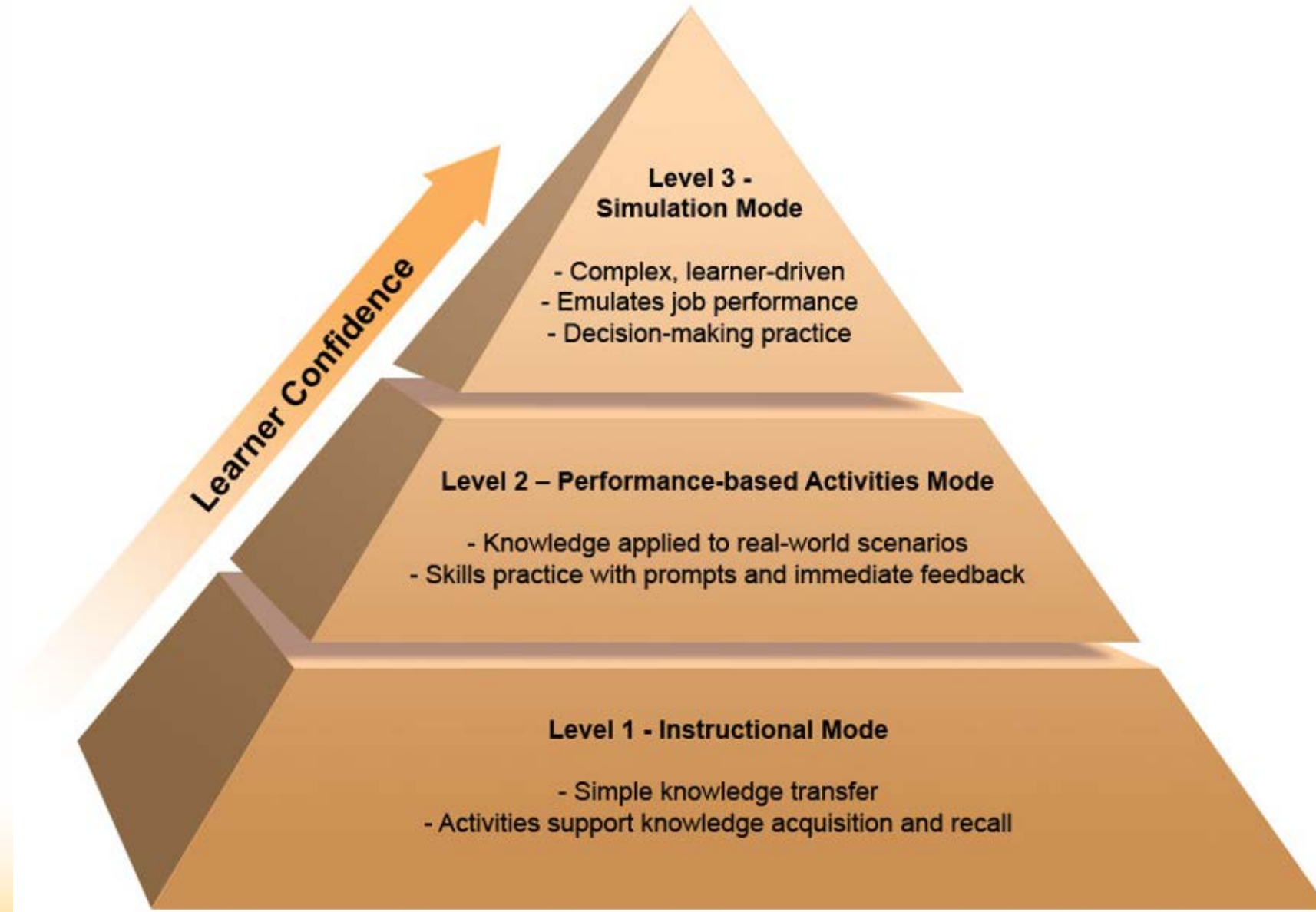 - **Development**
  - Implementation
 - Evaluation

Training Structure

UI Operations Integrity

UI Integrity Fundamentals for Operations ☐

Front End Operations ☐
- Integrity in Front End Operations △
- Preventing Overpayments During Claims Processing △
- Detecting Issues During Claims Processing △
- Claimant's Rights and Responsibilities △
- ERI (Eligibility Review Interview) △

Module Assessment ○

Adjudication ☐
- Integrity in Adjudication △
- Due Process △
- BTQ △
- Nonmonetary Determinations (from UI Learning Center) △

Module Assessment ○

Overpayments and Recovery ☐
- Overview △
- Cross Matches △
- Identify Theft △
- Multi-claimant Schemes △
- Employer Schemes △
- Collection Techniques & Tools △

Module Assessment ○

Key Skills ☐
- Customer Service △
- Interviewing & Fact Finding △
- Time Management △

Module Assessment ○

UI Agency Tour ☐
- Claims Processing △
- BPC △
- BAM △
- Appeals △
- Tax △

Module Assessment ○

Legend:
eLearning Module ☐
Lesson △
Assessment ○

Instructional Strategy

Level 3 -
Simulation Mode

- Complex, learner-driven
- Emulates job performance
- Decision-making practice

Level 2 – Performance-based Activities Mode

- Knowledge applied to real-world scenarios
- Skills practice with prompts and immediate feedback

Level 1 - Instructional Mode

- Simple knowledge transfer
- Activities support knowledge acquisition and recall

Learner Confidence

Learning Management System (LMS)

- Learners access LMS though Academy's web portal
- Training assigned based on user role
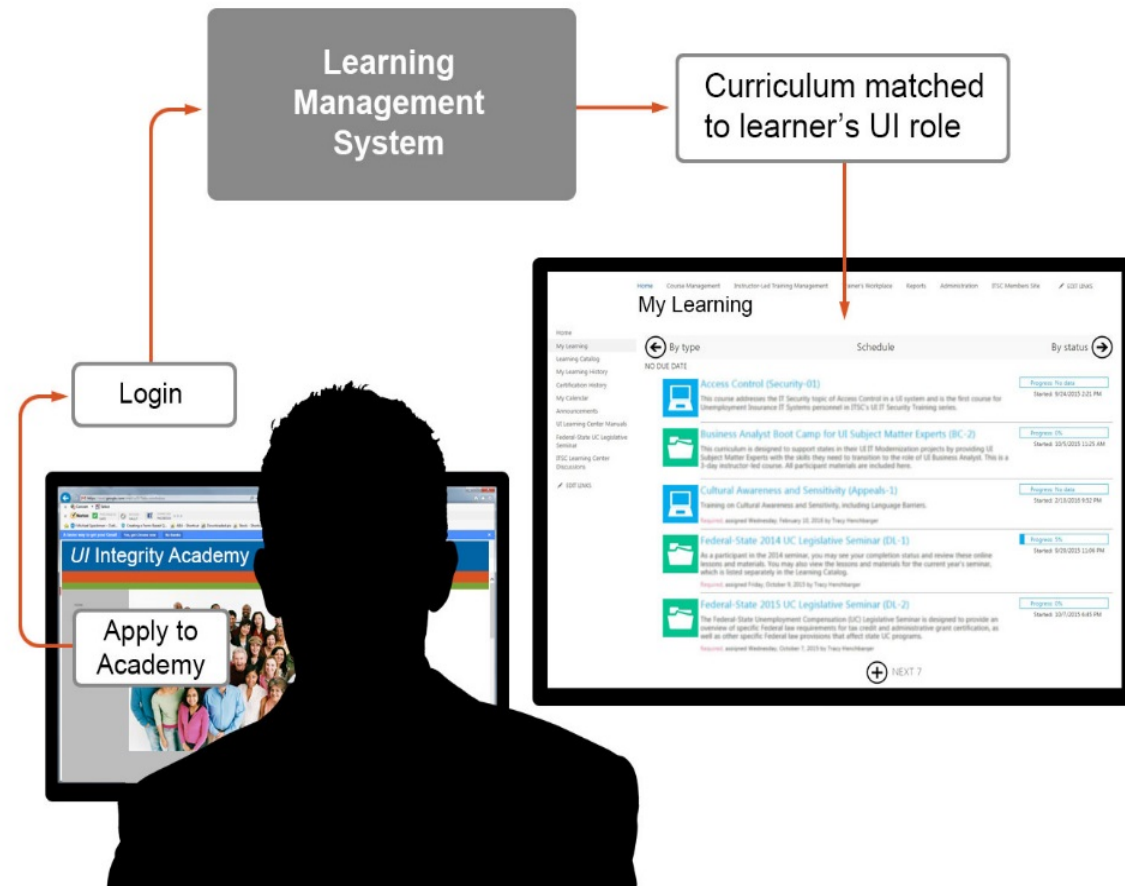
Current Course Delivery Status

✓ Fraud Investigations Fundamentals eLearning – Complete

✓ Operations Integrity Fundamentals eLearning – Complete

❑ Program Leadership Fundamentals eLearning – 95% Complete

- Online review pending

✓ Basic Fraud Investigations 3 Day ILT – Complete

❑ Complex Fraud Investigation Courses – In Progress

Everyone owns integrity!

UI Integrity Fundamentals Modules

- Teaches basic integrity concepts, terminology
- Specific modules contextualized to each certificate's target audience
- Self-paced, interactive eLearning modules

Complex Fraud Investigation eLearning

- Scenario based simulations
- Designed to allow learners to apply training in simulated case
- Cases based on actual cases investigated recently by states

UI Identity Theft Scenarios
Your Case Assignments *

Case 1   Case 2   Case 3   Case 4

* Based on actual UI investigations. Names, locations, and other details have been changed.

NOTE: **Every state has different legal requirements** for gathering evidence and interacting with claimants and employers. Your ability to obtain certain types of information depends on local laws, resources, and the scope of a fraud investigator's role in your state.

For the purpose of this training, assume you have access to the resources provided in each scenario.

Click NEXT to continue.

Demo of Complex Fraud Schemes Course

UI Fraud Schemes - ID Theft

(Left click on link and select "open hyperlink" from drop down menu)

QUESTIONS?

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rgillespie@naswa.org