

Payment Integrity Scorecard

Program or Activity
Employment and Training Administration - Federal State..

Reporting Period
Q1 2022

Change from Previous FY (\$M)

\$7,544M

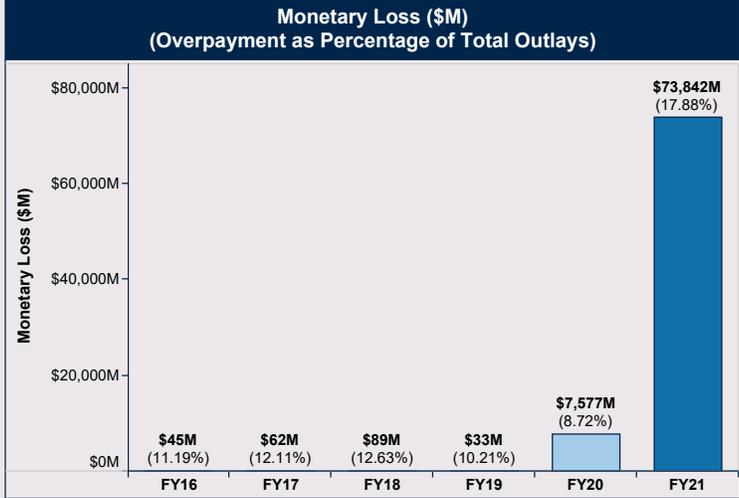


DOL
Employment and Training Administration - Federal State Unemployment Insurance

Brief Program Description:

The UC programs provide temporary, partial wage replacement to eligible workers. Programs included in the monetary loss calculation for FY21 included the traditional state UI, UCFE, UCX, EB, EUC08 benefits and the PEUC and FPUC CARES Act benefits.

| Key Milestones | Status | ECD |
|---|-----------|--------|
| 1 Develop mitigation strategies to get the payment right the first time | Completed | Dec-21 |
| 2 Evaluate the ROI of the mitigation strategy | On-Track | Jun-23 |
| 3 Determine which strategies have the best ROI to prevent cash loss | On-Track | Jul-23 |
| 4 Implement new mitigation strategies to prevent cash loss | On-Track | Sep-23 |
| 5 Analyze results of implementing new strategies | On-Track | Mar-24 |
| 6 Achieved compliance with PIIA | Completed | Nov-20 |
| 7 Identified any data needs for mitigation | Completed | Jan-20 |



| Goals towards Reducing Monetary Loss | Status | ECD |
|---|-----------|--------|
| 1 Q1 2022 UI Integrity Center conducted Behavioral Insights (BI) toolkit webinar to introduce states to resources in the Toolkit, including how to implement BI interventions with customizable templates, example resources, & best practices to reduce IP. | Completed | Nov-21 |
| 2 Q1 2022 ETA is deploying technical assistance teams (i.e., Tiger Teams) to states to conduct intensive research to quickly surface problems/propose solutions to address fraud, promote equitable access, reduce backlogs, and ensure timely UI benefit payment | On-Track | Dec-23 |

| Recovery Method | Brief Description of Plans to Recover Overpayments | Brief Description of Actions Taken to Recover Overpayments |
|------------------|--|---|
| 1 Recovery Audit | ETA will provide technical assistance to states on overpayment recovery methods and best practices and find opportunity to streamline state recovery efforts. | ETA is monitoring the use of grant funds provided to support states with fraud detection and prevention, including identity verification and overpayment recovery activities. |
| 2 Recovery Audit | ETA will continue bi-weekly banking workgroup calls to discuss ongoing recovery efforts & improve communication between banking organizations, Federal Government agencies, & law enforcement agencies in regards to overpayment recovery. | ETA continues to work closely with federal law enforcement and banks/financial institutions to streamline recovery efforts and facilitate the return of UI funds. |

| Accomplishments in Reducing Monetary Loss | | | Date |
|---|---|--|--------|
| 1 | Issued UIPL No. 01-22 on 2021/10/29, to provide states with instructions on how to access the incarceration data exchange between ICON and SSA's prisoner data to crossmatch UI claims data for use in determining UI eligibility. | | Oct-21 |
| 2 | Issued TEN No. 15-21 on 2021/11/17 to inform states about the launch of the NASWA UI Integrity Center's BI Toolkit to provide states with information on how to access the Toolkit resources. | | Nov-21 |
| 3 | Issued UIPL 02-22 on 2021/11/2, provided up to \$200M to improve state UC systems/processes per Tiger Team assessment for fraud detection/prevention, equitable access, & ensure timely benefit payment, inc. backlog reduction, for all UC programs. | | Nov-21 |

| Amt(\$) | Root Cause of Monetary Loss | Root Cause Description | Mitigation Strategy | Brief Description of Mitigation Strategy and Anticipated Impact |
|-----------|--|--|---|---|
| \$44,533M | Overpayments outside the agency control that occurred because of an Inability to Access the Data/Information Needed. | State agency followed official procedures and forms had been fully completed but the issue was not detectable by normal procedures. Overpayments originate from state agency administration issues, not federal agency administration. | Behavioral/Psych Influence - uses principles from the behavioral sciences such as psychology, neuroscience, and behavioral economics to understand how individuals absorb, process, and react to information and applies this to design practical policies and interventions. | The reduction of improper payments due to issues that were not detectable by normal procedures. |
| \$27,480M | Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed. | State agency identified issue but didn't properly follow procedures/complete forms &/or provided incorrect info - didn't resolve issue. Or result of 3rd-party error/incorrect info. OPs originate from state agency administration issues, not Federal. | Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies. | The reduction of improper payments due to state agency errors. |
| \$1,829M | Overpayments within agency control that occurred because of an Inability to Access the Data/Information Needed. | State agency was in the process of resolving error or had detected error as a result of crossmatch with NDNH or wage records & issue was detected after the payment was issued. OPs originate from state agency administration issues, not Federal. | Predictive Analysis - A data analytics technique used to prevent Improper Payments. It uses predictive capabilities to identify unobserved attributes that lead to suspicion of Improper Payments based on known Improper Payments | The reduction of improper payments due to eligibility issues. |

Monetary Loss - Monetary loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.
NOTE: From this quarter forward, DOL is transitioning to OMBs instructions that this reporting meets the High Dollar Report requirement and DOL will no longer develop a standalone High Dollar Report
NOTE: Overpayments reported for the regular Unemployment Insurance (UI) program do not represent a monetary loss to the federal government. The benefits paid under the regular UI program are funded by state-assessed and state-collected taxes and are not federal tax dollars. The UI program is administered by state agencies, which are required by statute to pay benefits when due. Payments were initially made to the right recipients for the right amounts. Subsequent information, which was not available to the agency at the time of the payment, identified an issue resulting in an overpayment. All overpayments recovered by the state agencies are returned to the state UI Trust Funds for the payment of future UI benefits, and are not available for any other federal purpose. Additionally, these monetary losses are outside the agency's control. The reported FY 2020 and 2021 estimate for Other Reason (1) include those payments which are required by statute to pay benefits "when due" under the Social Security Act section 300 and Supreme Court Decision Java vs California. Reported IP were initially made to the right recipients, for the right amounts, at the time required by law. Subsequent information, which was not available to the state agencies at the time of the payment, identified an issue resulting in an underpayment or overpayment. However, please note that all overpayments recovered by the state agencies must be returned to the state Unemployment Trust Fund for the payment of future UI benefits, and are not available for payment integrity or any other Federal purpose.