

Payment Integrity Scorecard

Program or Activity

Employment & Training Administration - Federal State Unemployment Insurance

Reporting Period

Q2 2025

FY 2024 Overpayment Amount (\$M)*

\$4,916

*Estimate based a sampling time frame starting 7/2023 and ending 6/2024



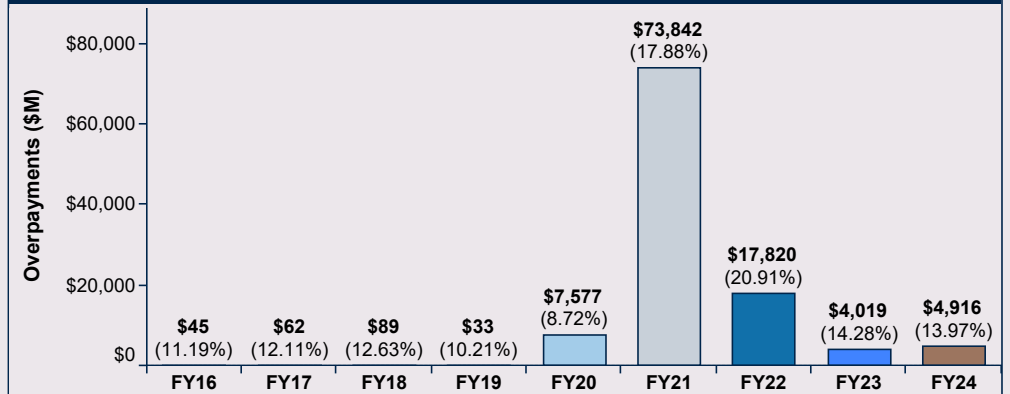
Department of Labor

Employment & Training Administration - Federal State Unemployment Insurance

Brief Program Description & summary of overpayment causes and barriers to prevention:

The UC programs provide temporary, partial wage replacement to eligible workers. Programs included in the monetary loss calculation include the traditional state UI, UCFE, UCX, EB, EUC08 benefits, and PEUC and FPUC CARES Act benefits. The top three root causes for OPs in the UC programs are BYE, Work Search, and Separation Issue IPs. Barriers to prevention include (1) statutory requirements, based on sound policy, to provide due process; (2) states must balance legal requirement to pay benefits quickly with requirement to prevent fraud and ensure equitable access; (3) 53 jurisdictions with different IT systems, cybersecurity, ID verification, and fraud solutions/vendors; (4) increasingly sophisticated/evolving fraud schemes.

Historical Payment Rate and Amount (\$M) (Overpayment as Percentage of Total Outlays)



Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

ETA remains focused on strengthening UI program integrity and continues to make it a top agency priority. Not all improper payments are fraud but fraud risk mitigation is a critical part of ETA's efforts to reduce UI improper payments. ETA is also committed to reducing the top root causes of improper payments which are Work Search, BYE, and Separation errors. ETA's actions to improve integrity in the UC programs included providing guidance, technical assistance (TA), and resources to support states in combatting fraud, strengthening ID verification, reducing improper payments, recovering overpayments, and assessing and addressing fraud risks. ETA is investing in developing new and enhancing existing tools, datasets, and resources and making these available to aid states in more quickly identifying potential improper payments and fraud. For example, providing state UI agencies with access to additional payment integrity data sources is one of ETA's key antifraud strategies. ETA is also analyzing state UI improper payment rates and directing targeted TA to states to reduce the top root causes of UI improper payments.

Accomplishments in Reducing Overpayment

		Date
1	Executed an Interconnection Security Agreement with another federal agency to ensure ongoing access to critical payment integrity data sources.	Feb-25
2	Continued to enhance functionality of the UI Integrity Data Hub (IDH), including refining data visualization tools and integrating additional data sources and services to help state identify and prevent improper payments.	Mar-25
3	Issued TEN No. 24-24, to provide information regarding the 2025 UI SIDES Seminar being hosted by NASWA in April 2025. SIDES is a UI integrity tool that helps prevent BYE and Separation errors.	Mar-25

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Goals towards Reducing Overpayments		Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	ETA continued to onboard states to the updated IDH Participation Agreement, which includes the expanded data sources provided under the partnership with Do Not Pay.	On-Track	Sep-25	1 Recovery Activity	Provide technical assistance (TA) to states on overpayment recovery methods & best practices & find opportunities to streamline state recovery efforts.	ETA continues to provide TA to states (as needed) regarding required & recommended recovery activities.
				2 Recovery Activity	Continue to work closely with federal law enforcement and banks/financial institutions to streamline recovery efforts and facilitate the return of UI funds.	ETA continues developing a SOP to ensure that funds recovered through the civil prosecution of COVID-19 related fraud is returned to the appropriate fund.
2	ETA continued to support enhancements to the IDH to continuously improve fraud prevention and detection and reduce UI improper payments.	On-Track	Sep-25	3 Recovery Activity	Pursue legislative changes to support and enhance state overpayment recovery efforts.	ETA continues providing legislative TA to key stakeholders & promoting those proposals.

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$3,933M	Overpayments outside the agency control that occurred because of an Inability to Access the Data/Information Needed.	Statutory barriers, established for good policy reasons require payments "when due", prohibiting states from suspending payments until official state determination that payments are no longer due. UI is not administered at the Federal level.	Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.	Provide states access to effective tools, technology, resources, and solutions; offering states enhanced technical assistance to prevent/detect IPs and fraud and to reduce IPs due to issues that were not detectable by normal procedures.
\$876M	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 and/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.	Hold states accountable through performance measures and require corrective action for not meeting targets; provide oversight and TA; share best practices; enhance training/resources to improve UC knowledge and reduce IPs due to state agency errors.
\$106M	Overpayments within agency control that occurred because of an Inability to Access the Data/Information Needed.	State agency had detected payment error as result of crossmatch with state or national files and had taken official action to establish overpayment for recovery before investigation or state was in the process of resolving the error prior to sample selection.	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.	Promote state strategies to improve use of cross-matching and data analytics to prevent and detect fraud and provide enhanced crossmatches for states' use to ensure UI benefit payments are only made to eligible individuals and reduce IPs.

ETA continues to actively and aggressively address fraud and improper payments in UC programs by providing support to states through guidance and TA. ETA continues working to make additional payment integrity data sources available to states through the IDH to improve states' ability to identify and prevent fraud and improper payments. Additionally, the Department continues to assess and evaluate UI fraud risks in alignment with GAO's Fraud Risk Framework and update the UI Integrity Strategic Plan with evolving antifraud strategies to combat emerging fraud threats and newly identified risks. Furthermore, ETA is assessing and analyzing the UI improper payment rate and directing targeted TA to states to address the leading root causes of improper payments.