

# NASWA's Integrity Center: An Overview & Update

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# NASWA's Integrity Center

- **Formed** in partnership through a Cooperative Agreement with the USDOL, OUI, and NASWA
- **Goal:** provide innovative tools, training, & support to state UI agencies to help reduce improper payments and combat fraud.
- **Mission:** A go-to resource for successful UI program integrity and improper payment reduction strategies and tools, focusing on the prevention, detection, and recovery of improper payments.
- **Operations:** Engage the individual knowledge and experience in each of our member states to support and share this for the benefit of all. NASWA to be the integrator where appropriate.

# Points of Emphasis

- Power of Connecting States
- Create High Touch Options
- Data Integration-Sharing: The IDH
- Improving States Ability Going Forward: Training and Communications

# The Integrity Center

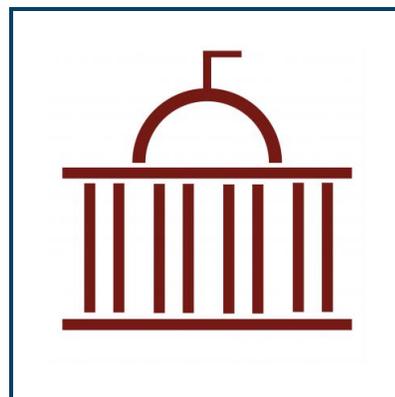
A well-respected team of UI subject matter and technical experts, working with states to provide training, tools, resources, and practical integrity solutions.



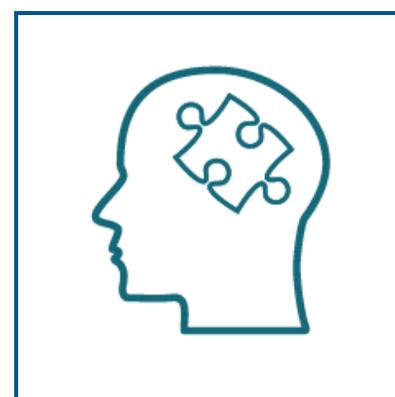
*State Services*



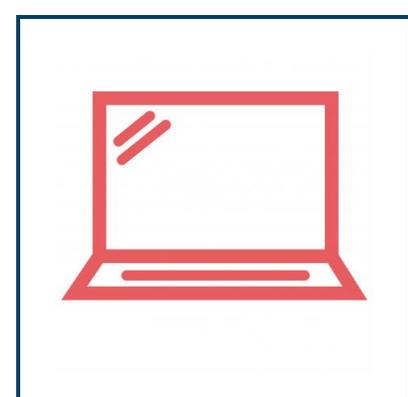
*Integrity  
Data Hub*



*National  
Integrity  
Academy*



*Behavioral  
Insights*



*Knowledge  
Exchange  
Library*

# Integrity State Services

# State Services What We Do

## State Service consults

- Operations gap analysis
- Make recommendations for effective operations

## Provide technical assistance

- Help implement federal guidance and operations

## Collaborate

- With the Services team, provide solution recommendations for state priorities



# State Services What We Do

## Provide a communication platform for states by:

- Facilitating work groups and collaborations
- Engaging third-party entities on behalf of states
- Researching and preparing resource guides
- Providing regular updates of center activities
- Documenting state practices
- Developing webinars around relevant integrity topics



## Selected Resource Guides:

- Stolen (Hijacked) Unemployment Insurance (UI) Claimant Accounts Process, Procedure, and Operational Best Practices
- Employer Guide: Preventing and Reporting UI Fraud
- TIPS: Top Integrity Practices and Solutions Volume 8, Successful Recovery Practices
- Criteria for Reporting Fraud Cases to the U.S. Department of Labor's Office of Inspector General

## Webinars:

- Maintaining Integrity in UI Operations During High Workload
- Protecting Integrity: Identity Verification
- Protecting Integrity: Internal Security
- Protecting Integrity: Identity Theft

The screenshot shows the top portion of a webpage titled "TIPS: Top Integrity Practices &amp; Solutions" with the NASWA logo in the top right corner. Below the title is a brief introductory paragraph. The main content is organized into several sections: "Did You Know?" with three sub-sections: "Fraudulent Activity Is Occurring Nationwide", "Current Participation", and "Uptick in Fraud Activity"; "Here's the Solution" with three sub-sections: "Get Involved in Fraud Alerting", "Increase Your Fraud Alerting Bandwidth", and "Post Your Alerts"; "Upcoming Spotlight" with a sub-section "Upcoming Spotlight"; and "Let Us Hear from You!". Each sub-section contains a small icon and a short paragraph of text.

# UI Integrity Focus Areas

- Return to “Traditional” Fraud Detection
  - ✓ BYE Fraud/Non-fraud
  - ✓ *Improper Payments*
- Anticipating next Fraud Schemes
  - ✓ Fictitious Employers
  - ✓ Account Takeover
- State’s Relationships with Financial Institutions
  - ✓ Promising Practice: Agency communication with ODFI
  - ✓ Ensure effective *internal* communication channels
  - ✓ Effective fraud detection is a partnership
  - ✓ Outline expectations of state/UI agency ODFI

# Steps Employers Can Take to Help Employees & Combat Identity Fraud in the UI Program

- **Employers serve a pivotal role in a state's ability to combat ID & eligibility fraud**
- **Actions help reduce errors with your unemployment account, preserve integrity of the state's trust fund & ensure benefits are only paid to eligible individuals.**
- **Provide support to employees by offering reporting instructions and resources for individuals that may be victims of ID fraud.**
- **Employers should respond immediately to any requests from a state UI agency:**
  - ✓ Timely and accurate responses, including an individual's employment status, will alert the agency of suspected fraud and prevent improper payments.
  - ✓ Thoroughly review all forms received including the employer benefit charge statements, report any suspicious claims filed against your employer account.
  - ✓ Notify your employee immediately to ensure the employee is aware their PII was used in an attempt to obtain UI benefits.
  - ✓ Direct your employee to appropriate resources to ensure they report the fraud and take actions to protect themselves and their credit.

# Integrity Data Hub

# IDH Capabilities

IDH allows participating states to provide UI claims data for:

- Cross matching & claimant authentication
- Fraud alerting
- Data analysis

**All functionality provided at  
no cost to States**



# Cross Matching & Authentication

- Cross matching

- Suspicious Actor Repository (SAR)
- Similar Emails & Suspicious Domains
- Foreign IP addresses
- Suspicious bank routing numbers
- Multi-State Cross Match (MSCM)

- Claimant authentication

- Identity Verification (IDV)
- Bank Account Verification (BAV)
  - ✓ Released Feb 15, 2022

**IDH results provide great value in instances of multiple “hits”**

# IDH Identity Verification (IDV)

## 39 States Currently Using

- Allows the IDH to provide a centralized identity verification/identity proofing solution **at no cost to states**
  - ✓ Leverages the Experian Precise ID solution
  - ✓ Provides fraud scoring and associated cause codes
    - ❖ Flagging of synthetic identities
    - ❖ Access to the SSA Death Master file
- The IDH IDV process
  - ✓ Has no impact on the claimant's credit score
  - ✓ Does not require informed consent

# IDH Metrics (thru June 25, 2022)

- States with IDH participation agreements: **53**
- Suspicious actor records (all time): 1.44M
- Lookups processed (all time): 148.2M
- ID Verification lookups processed: 36.4M
- ID Verification Returns (Claims with Issues) 15.5M
- Prevented overpayments (thru March 2022): **\$3.5B**

# IDH Bank Account Verification (BAV)

- Provides validation of:
  - ✓ Bank account status
  - ✓ Bank account owner
- Partnered with BNY Mellon
  - ✓ Early Warning Services (EWS)
- Go-live - Feb 15, 2022
  - ✓ 37 states with BAV amendment
  - ✓ 27 states have executed amendments
  - ✓ 25 states are receiving BAV data



# BAV Requests and Flags

Thru June 25, 2022

1,235,345 Total BAV Requests

## Invalid Flags

35,433

3% of Total Requests

**INVALID** Account  
**INVALID** Owner  
40

**Valid** Account  
**INVALID** Owner  
14,381

**INVALID** Account  
**Valid** Owner  
42

**INVALID** Account  
Owner Status **Unknown**  
20,970

## Valid or Unknown Results

1,199,912

97% of Total Requests

**Valid** Account  
**Valid** Owner  
298,590

**Valid** Account  
**Unknown** Owner Status  
376,713

**Unknown** Account  
**Unknown** Owner Status  
524,609

# IDH Fraud Alerting

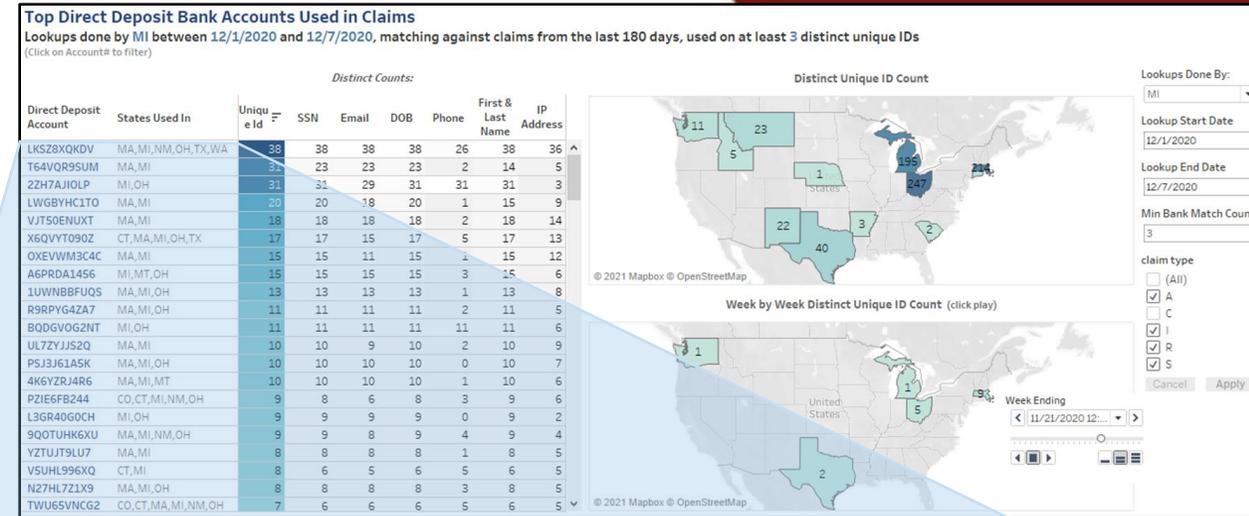
- Secure environment to notify other states of emergent fraud schemes
- Allows users to:
  - ✓ View
  - ✓ Create
  - ✓ Comment
- Provides an opportunity for states to collaborate on emergent fraud activity

CT prevented over **\$1M**  
in improper payments  
***just in August 2021***

FA's thru June 28, 2022: **1455**

# IDH Data Analysis

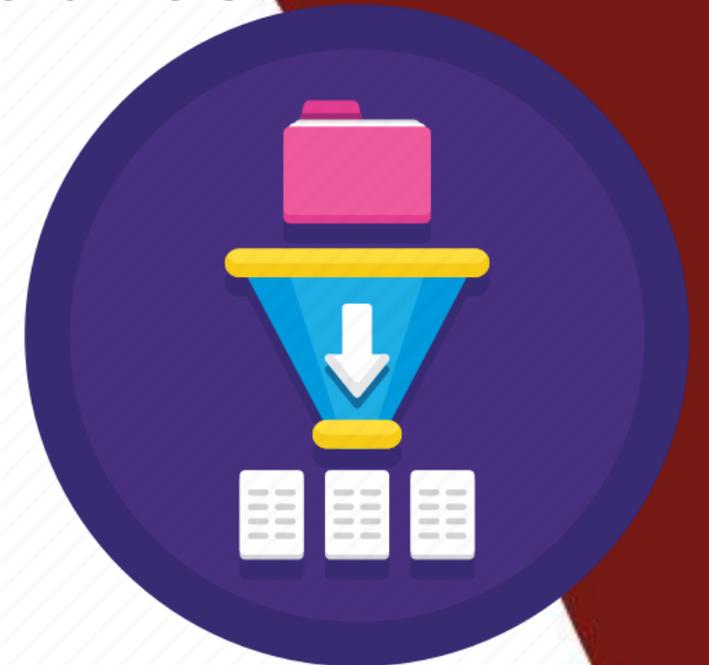
- Mine national UI data for suspicious activity and trends
- Identify claims connected to suspicious activity
- Develop queries to detect suspicious activity and prioritize investigations



Direct Deposit Account	States Used In	Unique Id	SSN	Email	DOB	Phone	First & Last Name	IP Address
LKSZ8XQKDV	MA,MI,NM,OH,TX,WA	38	38	38	38	26	38	36

# Results Sorting, Filtering and Outcomes

- Allows users to “manage” results within the IDH system
  - ✓ User must have been assigned the “IDH-Results” role
- Users start with “latest” results
  - ✓ Drill down to claims of interest
- Append outcome/disposition data
- Create SAR records
- Reduces requirements for IT support
- Go-Live – May 5, 2022



# NASWA Learning

# NASWA Learning Certification Programs



**NEW!!! Behavioral Insights**



**NEW!!! Data Analytics**



**UI Program Leadership**



**UI Operations Integrity**



**NEW!!! WF Digital Transformation**



**NEW!!! Integrity Data Hub**



**Fact Finding & Adjudication**



**UI Tax Auditing**



**NEW!!! WF Business Analysis**



**NEW!!! ICON**



**UI Fraud Investigations**



**UI Tax Investigations**

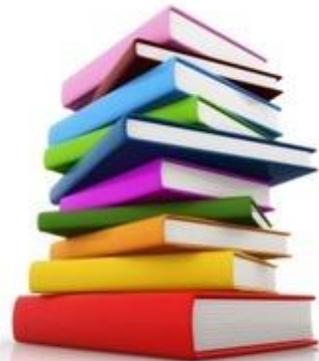
# What Kind of Learning Is Available?

- Over 250 Individual Lessons on specific topics
- Practical Application Simulations
- Resource Materials
- Job Aids/Desk References
- Claimant/Employer Communication Resources



# What Topics Are Covered?

- Unemployment Insurance
- Fraud Investigation
- Adjudication
- Appeals & Prosecutions
- Data Analysis
- Data Validation
- SIDES
- ICON
- Unemployment Insurance Modernization
- Benefit Accuracy Measurement (BAM)
- Lower Authority Appeals
- Workforce Business Analysis
- Digital Transformation for Workforce Leaders



# Claimant/Employer Communications Resources

- Model UI Claimant Handbook
- UI Claimant Education video
- UI Claimant Guides
- Employer Guides
- Customizable

- Easily understood
- Plain language
- Formatted



### My Weekly Guide

What do I need to do to keep getting my Unemployment Insurance benefit payments?

Use this quick-reference guide to help you remember what to do and when every week to continue receiving UI benefits.

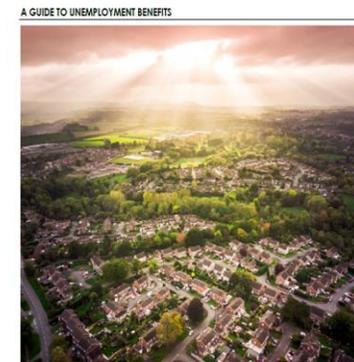


Our goal is to help you get back to work as soon as possible!

STATE UI LOGO

## MODEL CLAIMANT HANDBOOK

April 2021



**Purpose of the Model Claimant Handbook**  
This is a resource for states that want to simplify or update their claimant handbook. It draws upon behavioral insights and document layout best practices. The goal is to help your state produce a handbook that is easy for claimants to read and understand.

**Using the Model Claimant Handbook**  
The right-hand column of each page has a gray background to signify it is not intended for claimants to view. This area contains tips or best practices your state can consider while updating your claimant handbook.  
The left-hand column includes a suggested structure and content for your claimant handbook. You are welcome to use this text and layout in your state's handbook.

**Contact Information**  
Contact your NASWA state liaison or email [ui@naswa.org](mailto:ui@naswa.org) with questions or for more information about the Model Claimant Handbook.



### PREVENTING & REPORTING UI FRAUD

**What is Unemployment Insurance (UI) Fraud?**  
When an employer knowingly provides false information or withholds facts to avoid or reduce UI contribution liability.

**Some Examples of Potential UI Fraud**

- Deliberately reporting incorrect or zero wages
- Intentionally misclassifying employees as independent contractors
- Paying workers off-the-books or under-the-table wages
- Manipulating payrolls by shifting workers between employer accounts to improperly use a lower contribution tax rate. This is called State Unemployment Tax Act (SUTA) dumping.
- Providing false information regarding a worker's separation from employment or failing to respond to a claim notice that a worker has filed a UI claim while they are still working for the employer

**UI FRAUD IS A CRIME!**

For more information about UI fraud visit [\[INSERT STATE URL\]](#).

**Consequences of UI Fraud**  
UI fraud is a serious offense that can carry severe penalties.

For example:

- It could result in liens, fines, and a court-ordered operating suspension against your business.
- Fraudulent employer behavior is shared between state and federal agencies.
- It may result in prosecution or even jail time.

**Ways to Avoid UI Fraud**

- Report the reason for employee separation quickly and accurately.
- Report new hires within 20 days and rehires if 60 days have passed from their first day of employment [\[Insert URL for reporting new hires here\]](#).
- Respond promptly to all information requests.
- File quarterly UI Tax and Wage reports and pay UI taxes timely.
- Attend appeal hearings

**Help Stop UI Fraud!**

**STOP**

If you know or suspect business or individual is committing UI fraud, please contact us!

Online: [\[INSERT URL or EMAIL Address HERE\]](#)

Call the UI Fraud Hotline: [\[INSERT PHONE # HERE\]](#)

See your state's UI Employer portal [\[INSERT STATE URL\]](#) or the State Information Data Exchange System (SIDES), [sides.org](http://sides.org) for more information about reporting and responding electronically.

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# Employer Guides

## Completing Reports and Requests

Employers help preserve the integrity of the unemployment insurance (UI) program by completing required reports and information requests. UI provides temporary income assistance to qualified individuals who become unemployed through no fault of their own. To provide this economic safety net to their employees, employers pay federal and state UI taxes.

[Remove this text and place State UI logo here.]

## INTEGRITY IS EVERYONE'S RESPONSIBILITY

### State Workforce Agencies

States help to maintain UI integrity by:

- Accurately determining employers' tax liability.
- Implementing safeguards against benefit and tax fraud.
- Educating and supporting employers on their UI responsibilities to ensure compliance.



- Conducting audits of employers' wage and UI tax records.
- Recovering benefit and tax debt owed to the UI agency.

### Employers

You play an extremely important role in helping to maintain integrity by:

- Filing timely quarterly tax and wage reports.
- Paying UI federal and state taxes on time. Failure to do so may adversely affect your UI costs, as well as those of other employers.
- Promptly responding to agency information requests.
- Reporting new hires and rehires.
- Reporting suspected fraudulent activity.



For more information about UI fraud, visit [INSERT STATE URL].

### Tips for Employers

To maintain compliance with federal and state UI regulations, be sure to:

- Report newly hired employees within 20 days of the date of hire. For more information on reporting new hires or rehires visit [INSERT STATE URL].
- Provide complete, detailed information with all the pertinent facts and documentation when responding to agency information requests or reporting suspected fraudulent activity.
- Respond quickly and securely to requests for information by signing up for SIDES E-Response [or insert state's electronic employer portal name]. To register, go to [INSERT STATE URL].

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# Basic Investigations Course

- 51 Classes to Date
- 569+ Learners to Date
- Tax Version Launched in March 2022

## Investigating UI Fraud for Tax Cases Virtual Course

### Four 3-hour sessions

- ✓ Case study activities
- ✓ Group discussions
- ✓ Role-play exercises



### Learn or improve investigative techniques

- ✓ Developing an evidence-gathering plan
- ✓ Analyzing and weighing different types of evidence
- ✓ Interviewing difficult people
- ✓ Making determinations based on findings

### No cost to states

ENROLL by logging in at [www.naswa.org/Learning](http://www.naswa.org/Learning) and click "Access My Learning."

Search the catalog and enroll in the "UI Fraud Investigations Certificate"

Click on "Investigating UI Fraud for Tax Cases Virtual Course"

to view and enroll in an upcoming class



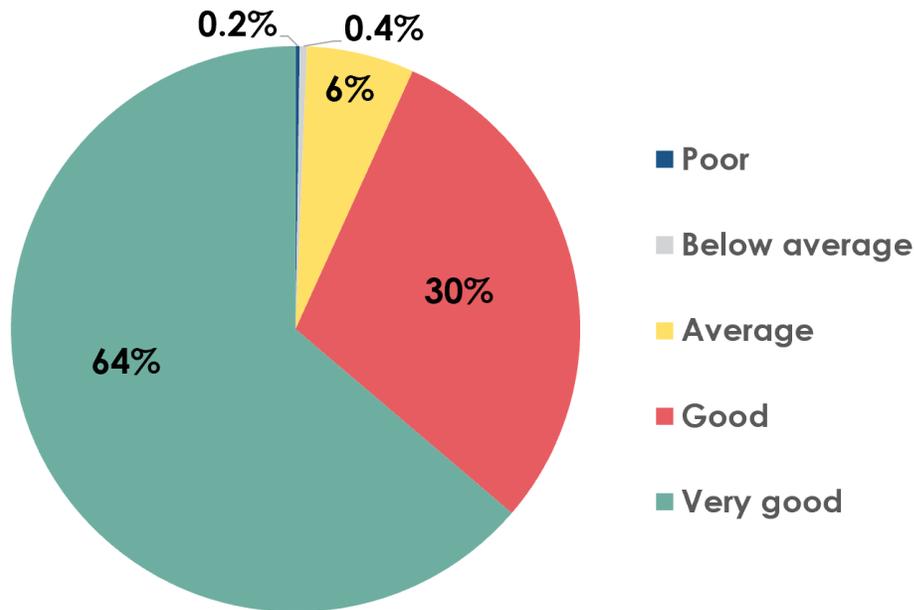
Investigating UI Fraud for Tax Cases Virtual Course  
Virtual



For questions please contact [Learning@naswa.org](mailto:Learning@naswa.org).

# NASWA Learning Metrics

## Overall Ratings of Certificates\*

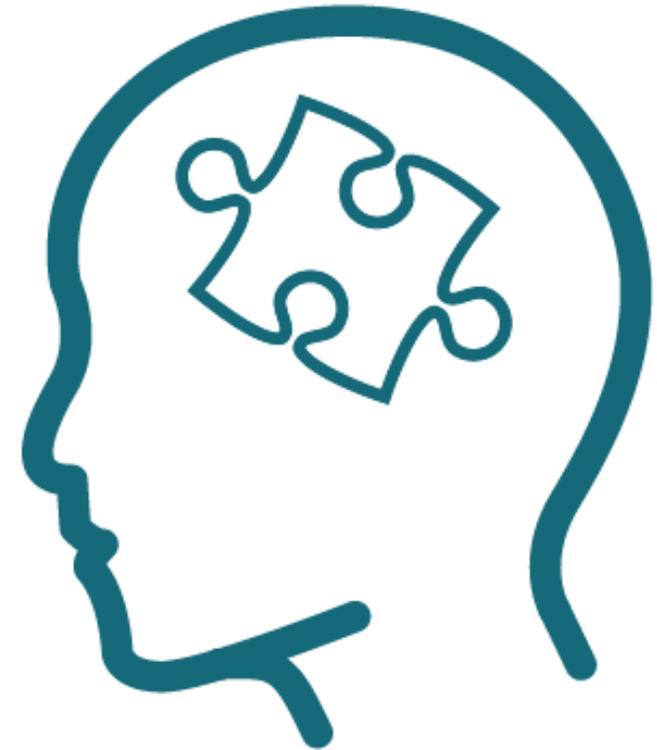


ORGANIZATION	TOTAL
SWE's	17,038
FED EMPLOYEES	145
NASWA	148
EMPLYRS/TPA (SIDES)	218
VENDORS	732
WORKFORCE PARTNERS	4
OTHER (WA POOL)	3
<b>TOTAL</b>	<b>18,288</b>

# Behavioral Insights

# What Is Behavioral Insights?

The study of how humans make choices and behave in a real-world context.



# Why Is Behavioral Insights Relevant for State Agencies?

Behavioral Insights addresses challenges caused by behaviors and uses data to measure the success of interventions.

## **INNOVATIVE**

Inspires fresh ideas and approaches, grounded in research

## **ITERATIVE**

Uses a “Try, test, and improve” approach

## **INSTRUCTIVE**

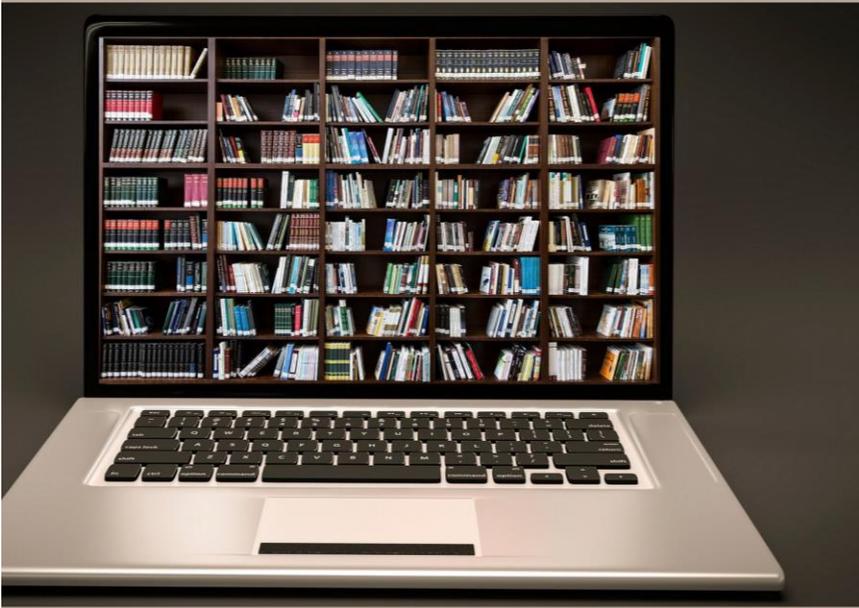
Data-driven

# Behavioral Insights

## Addresses fundamental behavioral problems in programs to:

- Help claimants better understand UI program requirements
- Nudge claimants about expectations when there is still time for them to meet the requirements
- Identify and reduce obstacles to customer compliance in tax and benefits systems
- Help claimants plan and execute better work searches
- Support staff in communicating program changes to customers

# What is the Behavioral Insights Toolkit?



- A collection of resources within the Knowledge Exchange Library
- Its purpose is to help UI agencies apply the learnings of behavioral insights to their own states
- Can be accessed at <https://library.naswa.org/bitoolkit>

# Behavioral Insights Toolkit: What's in it?



Overviews & How-to Information



Behavioral Insights Articles, Tools & Templates for UI



Curated Behavioral Insights Publications

# Questions?

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