COMBATTING UI FRAUD

ARKANSAS DIVISION OF WORKFORCE SERVICES
UNEMPLOYMENT INSURANCE – COMPREHENSIVE FRAUD STRATEGY

BY: ANGELA COOK & DON DENTON
IDENTITY THEFT FRAUD – COMPREHENSIVE STRATEGY

Identity Verification
• OnPoint UIdentify Solution
• Integrity Data Hub (IDH) IDV Service
• In-person Validation

Data Analytics
• Fraud Algorithm
• OnPoint IDH-SAR Broker Solution
• Other Crossmatches

Tips/Leads
• Fraud Hotline
• Online Reporting
• IDH Fraud Alerts

Program Integrity
## OnPoint Solutions Used by Arkansas

<table>
<thead>
<tr>
<th>OnPoint Solution</th>
<th>Function</th>
<th>Advantage/Cost-Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>UIdentify</td>
<td>ID verification – Claimant clicks email link and captures driver’s license barcode for crossmatch against national DMV data.</td>
<td>Initial pilot implementation was only for claims flagged as suspicious due to fraud algorithm. Now expansion will include 100% PUA claims; more cost-effective to expand than purchase new system. Fee is transaction-based.</td>
</tr>
<tr>
<td>Resolve</td>
<td>Case management and fact-finding automation</td>
<td>Not yet implemented; solution will assist with workflow, increase efficiency of fraud investigations, and reduce/eliminate manual claimant mail-outs.</td>
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<tr>
<td>IDH-SAR Broker</td>
<td>Facilitates the crossmatch of data against NASWA's Integrity Data Hub (IDH) Suspicious Actor Repository and Multi-State Claims data</td>
<td>Currently implementing; will streamline the processes used to investigate the crossmatch hits and will integrate results into the Resolve case management tool listed above.</td>
</tr>
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<td>BARTS</td>
<td>Initiates crossmatch with claim and wage data to determine as well as new hire data and tips – conducts all agency earnings investigations</td>
<td>If there is a hit, request is made for week-by-week breakdown of wages received. Wages are entered into the system and processed for fraud/non-fraud or no issue and assigned to investigator if required.</td>
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<tr>
<td>IRME</td>
<td>Online employer portal to return wages requested in wage audit notices</td>
<td>Employers key wages themselves and certify they are correct.</td>
</tr>
<tr>
<td>RECOVER</td>
<td>Overpayment billing system</td>
<td>Sends billing notices on increasing delinquency scale and sends notices for state income tax return intercept process.</td>
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<tr>
<td>NORM</td>
<td>Overpayment establishment and recovery management</td>
<td>Tracks balance of overpayments and applies interest and penalties; establishes overpayments from issue determinations and other systems and tracks all appeal periods.</td>
</tr>
<tr>
<td>ENFORCE</td>
<td>Prosecution of high amounts and likely recovery; files liens on overpayments and prepares paperwork for garnishment cases.</td>
<td></td>
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</tbody>
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Fraud Unit Flow Chart

1. All separation & non-separation with underlying issues

2. Only Earnings Issue

3. LO set fraud issue

4. Employer Protest
   Tips & Leads
   Cross Match
   New Hire Directory
   National New Hire Directory

5. See notation

6. Investigator I
   Investigator II

7. AAS Writer
   AAS Experienced Writer
   AAS Expert Writer

8. Recovery

A. Predetermined criteria on a case by case basis.

NOTE: Numbers 1-8 see Flow Chart Legend - Attachment B

Attachment A
EARNINGS INVESTIGATIONS

• BARTS
• Quarter Cross Match
• National and State New Hire matches
• State payroll
• Tips and Leads
• Process involved
OVERPAYMENT ESTABLISHMENT

• NORM
• Tracks appeal periods and legal statuses on issues and overpayments
• Establishes overpayments when issues final
• Accounting system for repayments
• Generates the 227 Report
RECOVERIES AND COURT ACTIONS

• RECOVER is the billing system
  • Tiered billing notices
  • New hire collection letter
  • State income tax refund intercept letters

• ENFORCE
  • Prosecutions
  • Liens
  • Garnishments
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