



Vermont UI Fraud and Overpayment Review

JANUARY 13, 2022



Who is Resultant?

Our Public Sector Experience

We partner with **federal, state, and local** government entities toward solutions that go beyond technology. We specialize in Program and Policy Consulting, Agency Modernization, and Data Interoperability.



Our UI and Workforce Experience

We know the challenges you're facing because we faced them, too. Our company has supported UI and Workforce programs **since we were founded.**



COLORADO
Department of
Labor and Employment



Ohio
Department of
Job and Family Services



Project Overview

Section 1, Pgs. 3-14



Statement of Work

- Act 51 of 2021 required the Vermont State Auditor's Office to contract with a consultant to examine and identify opportunities for improvement in Vermont's efforts to detect and prevent unemployment insurance fraud and unemployment insurance overpayments.
- **Goals (Pgs. 4-5)**
 - Examine VDOL's existing practices for detecting and preventing UI fraud and for collecting overpayments
 - Identify potential measures to ensure timely and accurate delivery of benefits while mitigating improper payments and fraud
 - Evaluate instances in which it may be appropriate to refer UI fraud for criminal prosecution

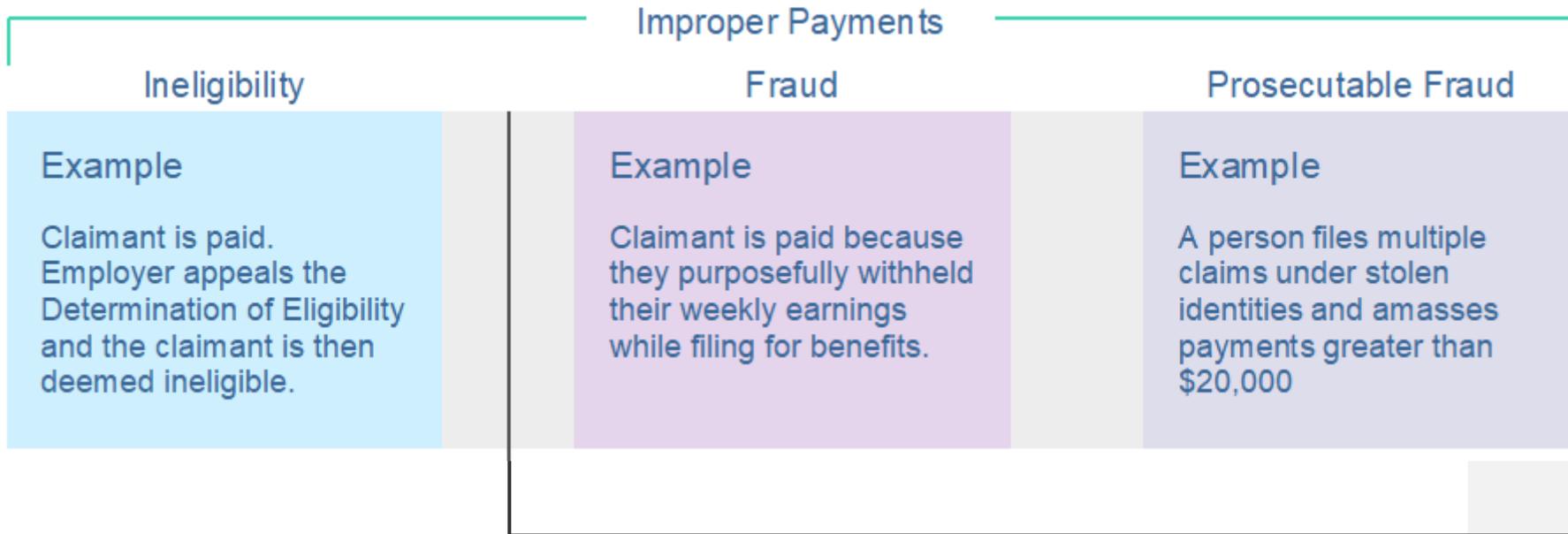


Research and Discovery

- 20 documents and reports
- 18 individual discovery sessions (virtual and in-person)
- Weekly sessions with both VDOL and the Office of the Vermont State Auditor
- Included researched from:
 - U.S. Department of Labor (USDOL)
 - Bureau of Labor Statistics (BLS)
 - Comparative analysis of 10 states (Pgs. 21-31)
- Followed progress of Unemployment Insurance Study Committee Meetings (September 14th through November 18th)



Improper Payment Definitions (Pg. 9)



“Willfully and intentionally make a false statement or representation to obtain or increase any benefit or other payment under this chapter, either for himself, herself, or any other person.”

21 V.S.A § 1368

Current State Findings

Section 5, Pgs. 39-51



Current State Assets

- UI Modernization Phase 1 is authorized
- Newly formed internal fraud unit
- Responsive to fraudulent activity indicators
- Historically Low Improper Payment Rate

**“All roads should
lead to a
successful
modernization.”**

- Vermont UI Stakeholder

Current State Limitations

- 40-year-old mainframe
Result: Limits opportunities for improvement
- Data is not readily accessible
Result: Lack of Data Crossmatches, Quantitative Analysis, & Data Driven Decision Making
- Classification of “improper payment types” and their associated penalties lack sufficient detail
Result: Confusion and “One-Size-Fits-All” penalties

“Our unemployment system is archaic, and it’s on fumes.”

- Vermont UI Stakeholder

Desired Future State

Future State Goals

- Enhance Security for Vermonter’s UI System without sacrificing individual access to beneficial government services
- Increase Accessibility to Data for Decision Making and Process Enhancement
- Clearer Understanding of Fraudulent Actions and their Consequences
- Increase trust in VDOL’s administration of the UI program in Vermont

“Our ultimate goal is to protect Vermonters, whether that be ensuring individuals receive timely benefits or preventing fraudsters from using the identities of innocent Vermonters to defraud the state.”

- Vermont UI Stakeholder

Recommendations

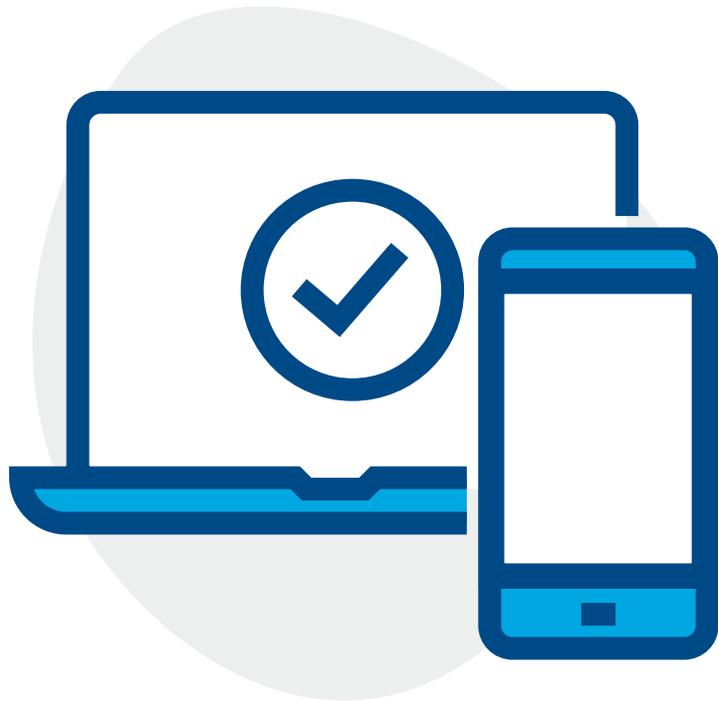
Section 6, Pgs. 52-66



Recommendations		2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4
Authorized	Enhanced Initial & Weekly Claim Portal	Yellow	Yellow	Yellow	Yellow								
	Claimant ID Proofing	Yellow	Yellow	Yellow	Yellow								
	Enhanced Employer Portal	Yellow	Yellow	Yellow	Yellow								
	User Account Security Management (ID Management)	Yellow	Yellow	Yellow	Yellow								
Recommended	External IV&V Support For Phase I of Modernization	Green	Green	Green	Green								
	External POMO Support for Phase I of Modernization	Light Green	Light Green	Light Green	Light Green								
	Leverage Human Centered Design Services in Modernization Projects	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green					
	Intergovernmental Collaboration	Dark Purple	Dark Purple	Dark Purple	Dark Purple	Dark Purple	Dark Purple	Dark Purple	Dark Purple	Dark Purple	Dark Purple	Dark Purple	Dark Purple
	Administrative Wage Garnishment			Dark Teal	Dark Teal	Dark Teal							
	No Longer Apply Penalty Weeks and Develop Tiered Administrative Penalty Framework	Light Blue											
	No Longer Apply Penalty Weeks	Light Blue											
	Create a Data Environment Outside of the Mainframe	Light Blue	Light Blue	Light Blue	Light Blue								
	Other Recommendations	Develop Program Integrity Crossmatches in Data Environment			Light Blue	Light Blue							
Integrate PUPs Data Crossmatch					Light Blue								
Automate IDH Data Crossmatch						Light Blue							
State Lean Green Belt Network Support for NASWA IDH Process Development		Light Purple											
Process Reengineering and Continuous Improvement Training for VDOL Staff			Light Purple										
Modernization	Phase II of Modernization				Yellow	Yellow	Yellow	Yellow	Yellow	Yellow			
	Phase III of Modernization							Yellow	Yellow	Yellow	Yellow	Yellow	
	Phase IV of Modernization												Yellow



Support Modernization



- Authorized in Phase I of Modernization
 - ID Proofing
 - Claimant and Employer Portal Enhancements
 - Account Security
- Necessary Modernization Support
 - Independent Validation and Verification (IV&V)
 - Project Management

Unlock Your Data



Creating a data environment outside of the mainframe will allow Vermont to:

- Crossmatch using data from prisons, intrastate government datasets, and the National Association of State Workforce Agencies' data.
- Answer the question “what are the main causes of fraud?”
- Quantify the volume and impact of fraud in Vermont

Continuous Improvement



- Human-Centered Design and Outcomes Base Prioritization
- Collaborating to Achieve Outcomes
- Replace Penalty Weeks with a Tiered Administrative Penalty System

VDOL's **outdated technology** constrains their delivery of the services that Vermonters deserve, which includes **preventing improper payments and fraud**.

Proactively investing in adaptable, flexible UI systems, tools, and human centered approaches is the key to building a UI system that delivers benefits more **timely and accurately**.

Questions?



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THANK YOU