

UI Fraud Determinations and Overpayment Recovery

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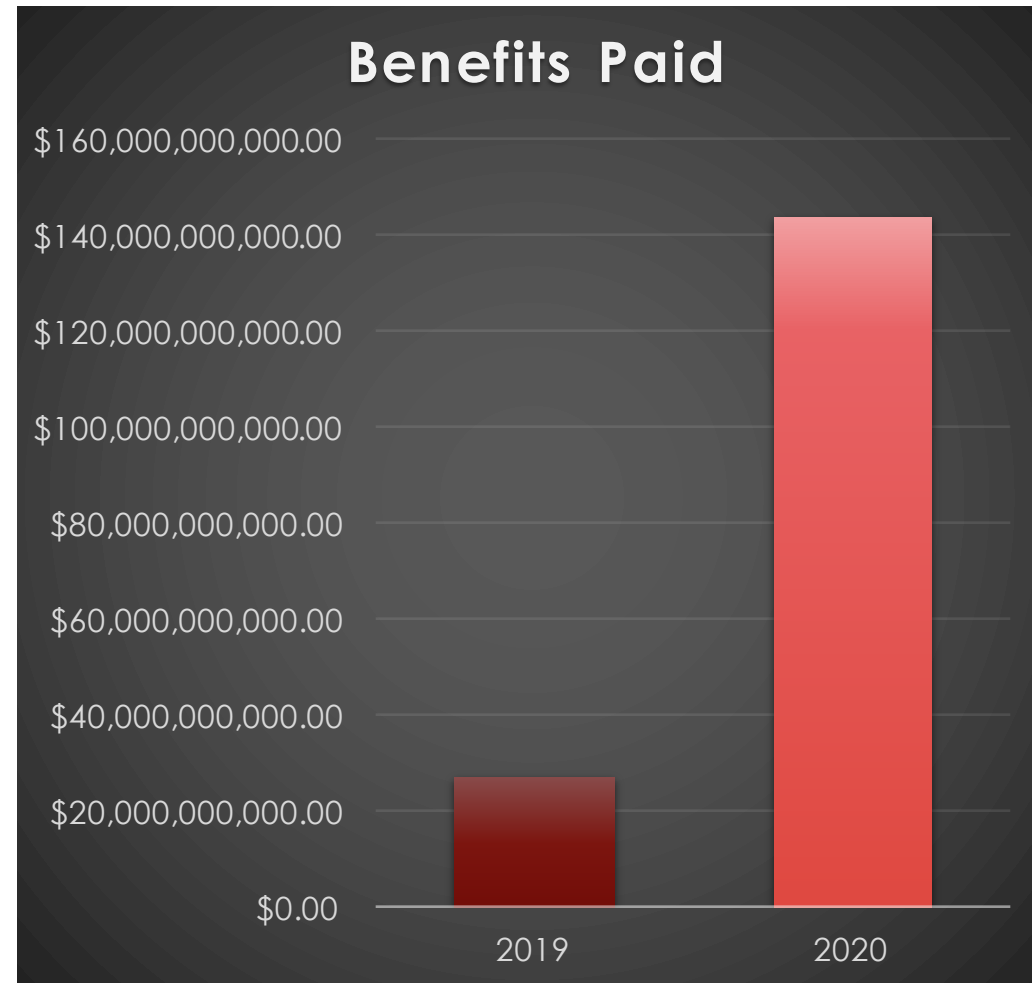
NASWA UI Integrity Center



Basics: UI Programs

- State Unemployment Insurance (REG UI)
 - Trust Fund model to pay benefits
 - Federal grants to fund administration
 - Contributory/Reimbursable Employers
 - Charging determinations rooted in state law*
(*with federal guidance)
- Federal Programs (general)
 - Special Programs (Trade, Disaster)
 - Temporary economic conditions impacting specific *individuals*
 - Federally funded
- Pandemic Programs (2020-2021)
 - Temporarily authorized by federal law (PUA, PEUC, MEUC)
 - Administration and benefits federally funded

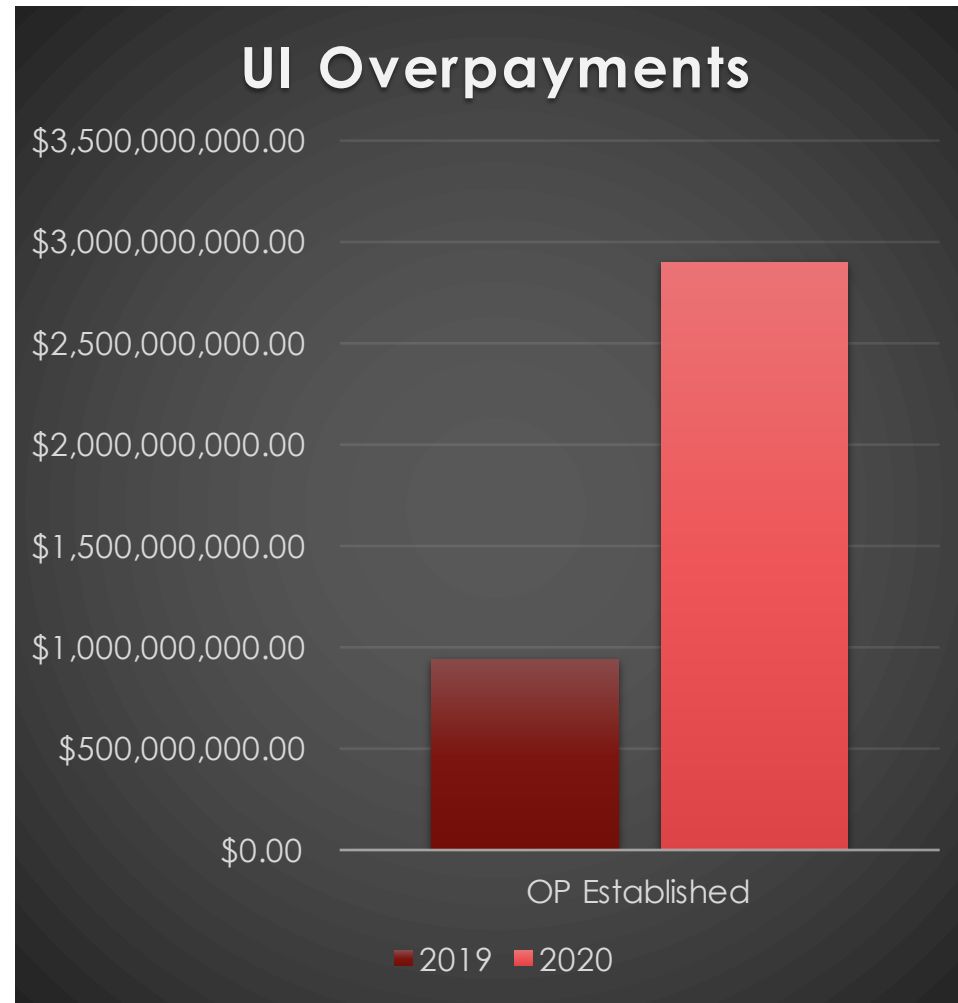
Pandemic Effect on REG UI



Basics: UI Overpayment Determinations

- Policy
 - Thresholds and Standards
 - Intentional misrepresentation/deception
 - Must have obtained UI benefits
- Operational Investigations
 - Internal data queries
 - External data crossmatches
 - Professional investigation methods
- Determinations
 - National timeliness and quality standards
 - Legal conclusion of investigation
 - Must clearly state appeal rights

Overpayment Determinations

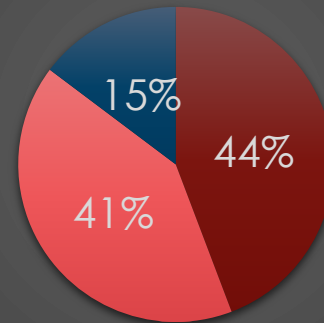


Basics: UI Overpayment Recovery

- Traditional Methods
 - Benefit Offsets
 - Treasury Offset Program (TOP)
 - Cash Payments (including EFT/ACH/Credit Card)
 - Other States (IRORA)
- State-specific Methods
 - State Lottery Intercepts
 - Third-party state entity intercept
 - Bank Levy
- Legal Action/Administrative Methods
 - Court-ordered restitution
 - Wage Garnishments
 - Liens

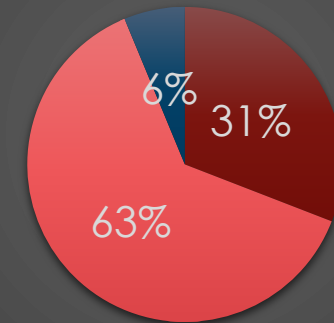
Overpayment Recovery Methods

Top 3 Recovery Methods
Calendar Year 2019



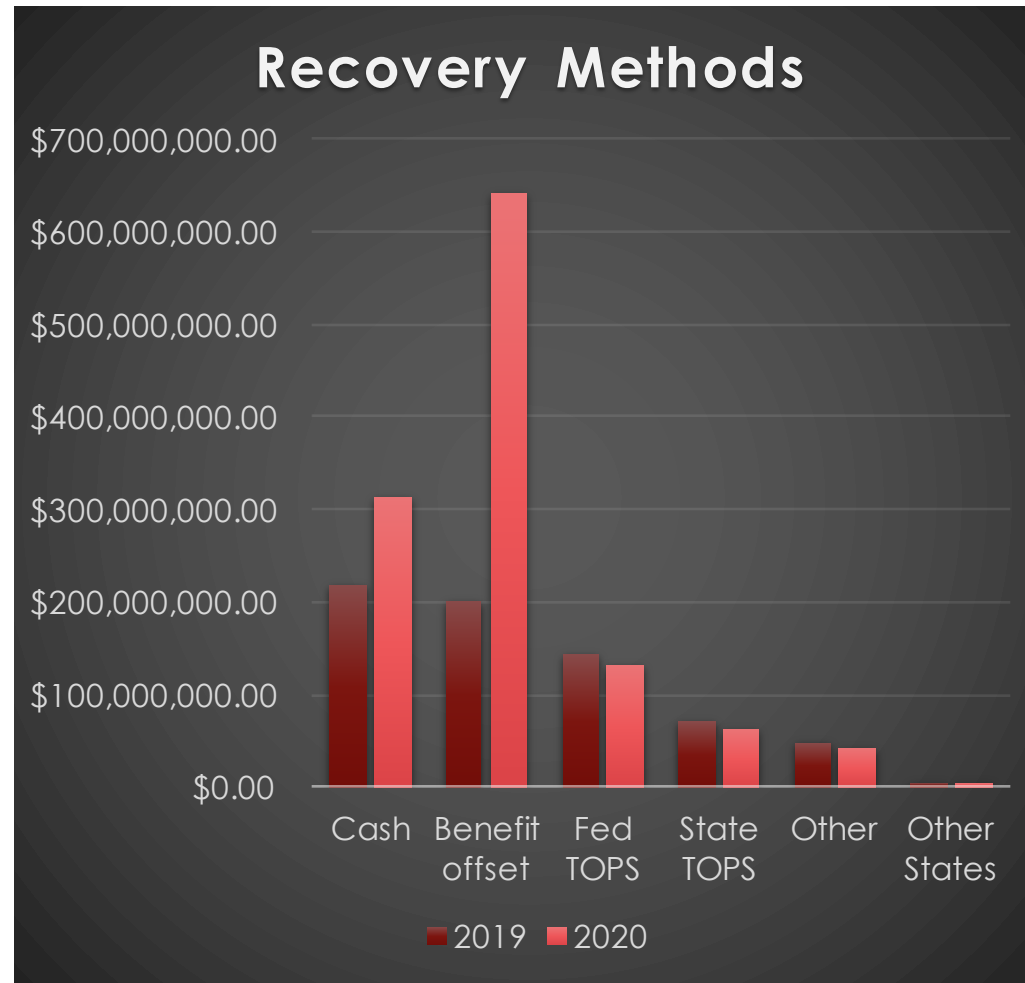
■ Cash ■ Benefit offset ■ State TOPS

Top 3 Recovery Methods
Calendar Year 2020



■ Cash ■ Benefit offset ■ State TOPS

Overpayment Recovery Dollars



Innovation: Role of Financial Institutions in Recovery

- Policy
 - Return of partial deposits
 - Frozen/seized asset recovery
 - State authority to indemnify financial institutions
 - NACHA regulations
 - Federal laws/USDOL guidance
- Procedure
 - Public and internal communications strategy
 - Develop effective data exchange agreements
 - Agency organizational structure and internal recovery workflow
- Contracts
 - Outline expectations of state/UI agency ODFI
 - Time-bound identity validation resolution
 - Outline provisions on return of funds (ex: unclaimed property)
 - Address state's indemnification laws and limitations

Questions?
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