

State Quality Service Plan (SQSP) Integrity Action Plan (IAP)

Idaho FY 2023

Accountable Agency Official(s).

List the person or persons accountable for ensuring integrity in the state's unemployment insurance (UI) program.

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- **(Topic #1) – The specific topics areas identified under the “Combatting Fraud; Strengthening Identity Verification; Improving Prevention, Detection, and Recovery of Improper and Fraudulent Overpayments; and Reducing the UI Improper Payment Rate” National Priority outlined in the FY 2023 SQSP Unemployment Insurance Program Letter (UIPL).**
 - **State use of tools, services, strategies, process improvements, and/or procedural changes adopted by the state to combat fraud, verify identities, and enhance recovery efforts.**
 - Identify which tools, solutions, and service provider(s) are used in the state's fraud management operations, including but not limited, to the following areas: data analysis, identity verification, fraud prevention and detection, and cybersecurity.
Idaho uses the following tools:
 - ID.me as a single sign-on so that the claimant is required to sign into their portal for proper identity verification to access their account
 - National Directory of New Hires (NDNH)
 - Quarterly Wage Records Crossmatch
 - Systematic Alien Verification for Entitlement (SAVE)
 - State Directory of New Hires (SDNH)
 - Social Security Administration (SSA) Unemployment Insurance Query (UIQ)
 - State Identification Inquiry (SID) and IB8606 enhancements made to the Interstate Connection (ICON) network cross match to prevent concurrent claim filing in multiple states.
 - Incarceration Cross-matches – Idaho utilizes the Social Security Administrator's Prisoner Update Processing System (PUPS)
 - Idaho also utilizes other in-house cross matches including searches for multiple addresses, phone numbers, and bank accounts

- Idaho does implement a CAPTCHA in instances of high-level traffic to assist in the prevention of brute force attacks

- Include strategies, solutions, and/or activities related to identity verification, fraud prevention and detection, and overpayment recovery using funds the Department has made available to states for combatting fraud under UIPL Nos. [28-20](#); [28-20, Change 1](#); [28-20, Change 2](#); and [22-21](#).

Idaho currently uses the funds from UIPL's for ID.me, increased staffing, and enhancements to current applications such as BPC, New Hire and Fraud Finder (an internal application developed and maintained by Idaho).

- Provide details on overpayment recovery efforts, including actions with banks, financial institutions, and with Federal law enforcement's forfeiture and seizure efforts.

Idaho takes every action possible to recover overpaid amounts from claimants including repayment agreements, filing liens, wage garnishments, TOP, bank seizures, civil actions, and benefit offsets. Idaho does not typically waive overpayments unless due solely to department error.

- **State use of UI Integrity Center resources, with a particular focus on state connection to the Integrity Data Hub (IDH) and use of its datasets to cross-match UC claims and aid in the prevention and detection of fraud;**

- Discuss the state's connection to the IDH, including frequency of IDH use.

Idaho is connected to the IDH and uses IDH results on a daily basis. Idaho leverages IDH capabilities. IDH capabilities include:

- Suspicious Actor Repository (SAR)
- Multi-State Cross-Match (MSCM)
- Identity Verification (IDV)
- Idaho is in process of hooking up the Bank Account Verification (BAV)
- Fraud Alerting
- Foreign Internet Protocol (IP) Address Detection
- Suspicious Email Domains

Idaho has a webservice with IDH. Idaho has no barriers with IDH usage.

- Discuss the state's use of the UI National Integrity Academy's virtual trainings and/or eLearning lessons, the use of UI Integrity Knowledge Exchange Library resources, and participation in State Consultative Services.

Idaho attends the majority of the virtual trainings or eLearning lessons. Employees are encouraged to attend any trainings offered through the UI National Integrity Academy. The trainings are used to supplement the formal training plans Idaho has in place. Supervisors assign and monitor completion of the courses. Although the

trainings are not a formal performance requirement, they are utilized as an employee development tool.

- **State use of required and recommended cross-matches and overpayment recovery activities as outlined in UIPL No. [23-20](#), including any additional effective cross-matching and recovery activities and identified best practices.**

- Provide details regarding the state's use of each cross-match and recovery activity (required and recommended) as outlined in UIPL No. [23-20](#). Crossmatches and recovery activities include:

Idaho has several applications developed to detect suspicious or potentially fraudulent activities including the following:

- National Directory of New Hires (NDNH)
- Quarterly Wage Records Crossmatch
- Systematic Alien Verification for Entitlement (SAVE)
- State Directory of New Hires (SDNH)
- Social Security Administration (SSA) Unemployment Insurance Query (UIQ)
- State Identification Inquiry (SID) and IB8606 enhancements made to the Interstate Connection (ICON) network cross match to prevent concurrent claim filing in multiple states.
- Incarceration Cross-matches – Idaho utilizes the Social Security Administrator's Prisoner Update Processing System (PUPS)
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Recovery Activities

Idaho uses the following to assist with recovery activities:

- Benefit Offsets
 - Treasury Offset Program (TOP)
 - Cross Program Offset Recovery Agreement (CPORA)
 - Interstate Reciprocal Offset Recovery Arrangement (IPORA)
 - State Income Tax Offset Program
 - Wage Garnishments including spouse
 - Civil Actions
 - Property Liens
 - Bank Seizures
 - Other recoveries such as filing advisories on bankruptcies
- Include details on the frequency of crossmatch use (*e.g.*, cross-match conducted on all initial claims, all continued claims, only when suspicious activity is identified?) and frequency of recovery activities.

In general, the cross matches are integrated into daily processes and to generate workload.

- Identify any additional cross-matches or recovery activities the state uses that are not listed in UIPL No. [23-20](#).

Idaho also uses other in-house cross matches such as, multiple addresses, phone numbers, and bank accounts.

- Provide cross-matching or recovery promising practices.

Idaho uses an Idaho developed application, named Fraud Finder, to allow multiple verification matches and suspicious behavior for cross-matching. Idaho's promising practice for recoveries is wage garnishments, TOP and bank seizures. This allows larger recovery amounts to be received.

- Identify challenges with cross-matching or recovery activities.

Idaho largest struggle is the high volume of workload for both cross-matching and recoveries.

- If the state does not currently use one of the cross-matches or recovery activities listed in UIPL No. [23-20](#), provide the state's plan and anticipated timeline to request and obtain access to the cross-match or to implement the recovery activity.

Idaho does not currently use an automated interstate crossmatch due to system related barriers; however, Idaho is currently working on a solution and expects to have this crossmatch back into production by 12/31/2022. While the automated crossmatch is not in place, a manual check for interstate wages is available and is utilized regularly by staff. Idaho uses all of the recovery activities identified.

- **State use and employer participation in the State Information Data Exchange System (SIDES).**

- Provide details on the state's current usage of SIDES.

- The SIDES system is integrated into Idaho's process through the separation information data exchange.
- Idaho continues to educate employers on the SIDES program and encourages them to utilize this tool.
- Idaho is planning to implement the decisions and determinations exchange along with the monetary and potential charges exchange and single sign on, a result of our participation in the Tiger Teams initiative.

- Identify any barriers to SIDES exchange participation, either in state promotion or in employer adoption.

- None

- **State strategies designed to facilitate claimants' compliance with state work search requirements while also supporting their reemployment such as adoption of the work search requirements in the Model Work Search Legislation.**

- Outline the state's work search requirement and explain state challenges with work search improper payments.
 - Idaho requires claimants make a minimum of two contacts per week and report details of those contacts when filing their weekly certifications. For those claimants returning to work for an employer, the claimant must maintain contact with the employer and return to work when scheduled. The claimant reports on their weekly certification whether they met this requirement.

- Discuss the state's plan to improve work search compliance by reducing work search errors and strengthening reemployment.
 - Idaho continues to utilize online systems requiring claimants to report work search activities on a weekly basis, including providing the contact's name and phone number. Idaho educates claimants on the work search requirements throughout the claim filing processes as well as through an online handbook available at any time to the claimant. Re-employment Services and Eligibility Assessments (RESEA) interviews are conducted on a weekly basis for claimants selected for these services. Idaho is looking at the feasibility of expanding the verification of work search activities beyond the current levels. Our claim center staff and navigators verify work search contacts outside of the normal BAM process. A key week is selected, and they review the work search for that week and also review other weeks claimed. They may reach out to the claimant for more details and/or contact the employer. In many cases, this is as much about education on an adequate work search, as a consequence for failing to look for work. Over the last two months, about 150 claimants have had their work search reviewed each month in this process.

- **(Topic #2) – State plans and actions to address the state's top three improper payment root causes in 2021 for Payment Integrity Information Act (PIIA) purposes.**
 - Idaho's top 3 root causes are benefit year earnings, separation issues, and other eligibility issues.
 - Explain the state's challenges in reducing improper payments in the top three root cause categories.
 1. Benefit year earnings:
 - Claimants misunderstand proper reporting (they report hours worked and rate of pay and assume we will calculate weekly earnings for them)
 - Claimants conceal earnings, fraud
 2. Separation issues:
 - Claimants don't update work history
 - Claimants fail to report separations on weekly claims
 3. Other eligibility issues:

- Claimants fail to accurately report their circumstances on their weekly claims.
- Discuss the state’s plan to reduce improper payments in each root cause category.
 - Idaho reinstated a focus group during 1st quarter 2022. The focus group will meet on a quarterly basis to review improper payment rates, root causes, and associated processes and procedures. There are no changes to the current strategies. As viable recommendations are made, Idaho will determine the feasibility of the recommendations and develop a plan for implementation. Prior recommendations have proven successful in reducing Idaho's improper payment rate. Idaho expects the focus group to continue to identify areas for improvement and efficiency. Idaho continues to educate claimants on proper reporting requirements throughout the claim filing processes as well as through an online handbook available at any time to the claimant
- 1. Benefit year earnings:
 - The focus group recommends adding clear and concise wording to claimants on the weekly claim report explaining proper recording of earnings, and the consequences for not doing so.
 - The focus group recommends adding an earnings calculator to the weekly claim report so that claimants can easily enter their hours worked and rate of pay in order for the system to accurately compute weekly earnings.
 - Will encourage employer compliance with New Hire reporting and support early earnings investigation once a new hire has been reported.
 - Continue to use the various crossmatches to identify potential fraud
- 2. Separation issues:
 - Focus group will discuss how improvements can be made in the claim filing process to more accurately account for missing work history and separations.
- 3. Other eligibility issues:
 - Focus group will discuss how improvements can be made in the initial and weekly claim filing process to obtain increased accuracy
 - Idaho did identify a system related error in which the system did not recognize a 6X successive claim issue. This error was a significant other eligibility issue. It has been addressed and is no longer resulting in improper payments.
- **(Topic #3) – State coordination and collaboration with the Department of Labor’s Office of Inspector General, Office of Investigations (DOL-OIG) and other state and Federal law enforcement agencies to investigate and prosecute UI fraud.**
 - Idaho did not have any cases that involved potentially fraudulent activity over multiple claims or in multiple states. Idaho has identified potentially fraudulent activity in other states and has reported the suspicious activity to the appropriate state.

- Idaho did provide a referral to the OIG on suspicious IP addresses. This suspicious activity was also reported through the Integrity Data Hub.
 - Idaho integrated ID.me and an internal software application into the claim filing and review processes to assist Idaho in identifying and addressing fraudulent activity. As a result, Idaho has paid very little on identity theft claims.
 - Idaho does work with other state and federal law enforcement agencies and refers cases for prosecution when appropriate.
- **(Topic #4) – State plans to strengthen program integrity in UI tax operations, including current activities and plans to identify and prevent worker misclassification, State Unemployment Tax Act (SUTA) Dumping, and Fictitious Employer schemes, and development/use of effective employer audit strategies (i.e., use of remote audits).**
 - Identify current activities and plans to address:
 - Worker Misclassification

Idaho combines data mining, staff contact, and discovery to identify and address worker misclassification. Various data mining queries assist in identifying high non-compliant industries. Staff, both in and outside the UI Tax program, can document suspicious contacts with employers or workers. These are flagged for further investigation by tax personnel. Idaho also conducts discovery for misclassified workers through investigation of unregistered businesses and through regular communication with other state agencies, exchanging information on potential non-compliance. Idaho utilizes the information provided by Internal Revenue Service to identify potential misclassifications.
 - SUTA Dumping

Idaho conducts a variety of internal and external checks on new accounts to identify potential SUTA dumping before an account is created. Idaho also utilizes data mining on a quarterly basis to identify potential SUTA dumping on established accounts.
 - Fictitious Employer Schemes

Idaho conducts a variety of internal and external checks on new employer registrations to identify fictitious employers prior to creating an account. Idaho also provides limited access for staff not in the UI Tax program to the employer account management software. When user's identify suspicious activity through a phone call, electronic, or in person contact, they can document the suspicious for investigation by tax personnel.
 - Development/use of effective employer audit strategies (including, but not limited to, use of remote audits).
 - Idaho has incorporated remote audits as a strategy for meeting the desired levels of achievement in the audit program. From 2020-2022, Idaho experienced

significant staff turnover and reassigned audit staff to address backlogs created by the Pandemic. As a result, most audits conducted during this time were remote audits. In FY2023, Idaho expects to return to a field audit program and utilize remote audits to supplement the field audit schedule and to assist with training. This is a return to a pre-Pandemic structure, which was proven to be a very effective strategy for Idaho in the past.

- **(Topic #5) – State plans and actions to strengthen internal security and ensure that all appropriate internal controls and processes are in place and are adequate to assess internal risks and threats, ensure program integrity, and minimize program vulnerabilities (see UIPL No. [14-17](#)).**
 - Idaho is in compliance with the criteria outlined in UIPL 14-17 and has adequate internal controls in place.

- **(Topic #6) – State plans and actions to balance the need to identify and prevent fraudulent activity while ensuring that eligible individuals with legitimate claims get the benefits they are entitled to when they are due.**
 - Identify potential barriers that are created by fraud prevention and detection functions for legitimate claimants. Provide plans and actions designed to mitigate such risks.

Idaho has no barriers. Idaho uses ID.me for identity verifications to ensure only real claimants are receiving the benefits. We have a process in place to assist those with barriers or other difficulties with making it through the ID.me process.
 - Include how the state flags cases for suspected fraudulent activity (including both eligibility fraud and identity fraud) and how investigation resources are assigned, including:
 - What risk scoring elements and/or prioritization elements are used.

Idaho uses IDH for risk scoring elements such as matching against multi-state claim and SAR, and name or DOB mismatch. Idaho also uses in internal Fraud Finder application for reviewing risks such as suspicious IP addresses, bank accounts, and multiple addresses.
 - How the risk scoring elements and/or prioritization elements are weighted.

Idaho uses IDH scoring elements for prioritization.
 - How the state evaluates the weights based on false positives and negatives.

Idaho evaluates each one on an individual basis for validity.
 - How risk scoring elements and/or prioritization elements are updated.

Idaho uses the webservice with IDH to ensure all elements are updated.

- How the state ensures the fraud risk scoring and/or prioritization of cases does not negatively affect legitimate claimants.
Idaho individually reviews each one and only the claims that are suspicious or potentially fraudulent are flagged in the system.

- Include details on how the state measures claimants' usage of both digital and nondigital identity verification options, how the state reviews digital services for false positive and false negatives, and how the state ensures legitimate claimants have alternative paths to prove their identity and/or resolve issues, including providing a possible recourse.

Idaho uses ID.me who has multiple methods for identity verification. Claimants who have barriers or difficulties making it through the ID.me processes have the ability to go into an office in person.

- **(Topic #7) – If the state has not provided complete and accurate overpayment reporting on the ETA 227 reports (Overpayment Detection and Recovery Activities), and the ETA 902P report (Pandemic Unemployment Assistance Activities), specifically Section C. *Overpayment Activity and Administration (all activity EXCEPT for Identity Theft)* and Section D. *Overpayment Activity Related to Identity (ID) Theft* of the ETA 902P report, the state must provide information on their plans for improvement, including timeframes and milestones, for addressing the issue and ensuring complete, accurate, and timely reporting in FY 2023.**
 - Idaho will review the reports to verify that all reports submitted are accurate. If deficiencies are identified, Idaho will take steps to correct the deficiencies and submit amended reports.