

## COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, DC 20515

September 14, 2016

Judith M. Conti  
Federal Advocacy Coordinator  
National Employment Law Project  
2040 S St NW, Lower Level  
Washington, DC 20009

Dear Ms. Conti:

Thank you for testifying before the House Ways and Means Subcommittee on Human Resources during the hearing entitled, "Unemployment Insurance: An Overview of the Challenges and Strengths of Today's System." In order to complete the record of the hearing, please respond to the attached Question for the Record (QFR) from Mr. Crowley.

Pursuant to the Committee rules, we ask that responses to the QFR be returned to the Committee by 6:00 p.m. on Wednesday, September 21, 2016.

If you have any questions concerning this matter, please feel free to call Rosemary Lahasky or Anne DeCesaro of the Subcommittee staff at (202) 225-1025.

Sincerely,



Vern Buchanan  
Chairman

### **Crowley QFR for Judith Conti**

- Ms. Proctor described Florida's FIRRE system as stopping 110,000 illegal claims.
  - Does Florida have clear evidence that all those blocked claims were actually illegal?
  - What are some of the reasons that FIRRE's software might be blocking claims from workers who just want the benefits they earned?
  - Are there other states that are similarly using computer software to accuse individuals of fraud, without making sure the allegations are correct?

I am writing in response to your questions regarding the Florida fraud prevention system known as the Fraud Initiative Rules and Rating System (FIRRE). The executive director of Florida's Department of Economic Opportunity testified that since 2014, FIRRE "stopped more than 110,000 illegal claims from being filed in Florida" and that "represents \$460 million that would have been stolen from Florida's Unemployment Compensation Trust Fund".

While NELP does not have access to confidential unemployment insurance records maintained by the DEO, there is ample evidence to suggest that large numbers of unemployed Floridians are having difficulties navigating the on-line filing system known as CONNECT and that many of these individuals are being locked out of CONNECT altogether because of very restrictive criteria in the FIRRE system.

#### Background:

In September 2015, the National Employment Law Project (NELP) published a report on the Florida unemployment insurance program, Ain't No Sunshine: Less than One in Eight Unemployed Workers in Florida is Receiving Unemployment Insurance.<sup>1</sup> This report documented how over the prior four years, Florida had imposed a series of new claims-filing requirements and procedures that made it more difficult for involuntarily unemployed workers to apply and qualify for unemployment insurance (UI). As a consequence of procedural hurdles and drastic cuts in available benefit weeks, less than one in eight unemployed Floridian was receiving unemployment insurance, the lowest rate in the nation. The report further found that this downward trend has accelerated since the introduction of a new automated filing system known as CONNECT in the fall of 2013.

Electronic filing requirements, some of which were included in state legislation enacted in 2011, made the process of establishing UI eligibility in Florida among the most onerous in the country. Immediately after implementation of House Bill 7005 in August 2011, thousands of workers were unable to successfully complete online transactions necessary to apply and qualify for UI benefits, largely because of poor automated systems and lack of personal customer assistance. The NELP report documents large increases in the numbers of workers disqualified for procedural reasons related to failure/inability to provide necessary filing information electronically.

On April 5, 2013, the U.S. Department of Labor's Civil Rights Center (CRC) issued a 56-page *initial determination* in Miami Workers Center v. Florida Dept. of Economic Opportunity, Division of Workforce Services (CRC Complaint No. 12-FL-048),<sup>2</sup> finding the State's electronic filing system for unemployment insurance (UI) benefits had a discriminatory effect on limited English proficient (LEP) persons and persons with disabilities in violation of Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act, Title II of the Americans With Disabilities Act, and Section 188 of the Workforce Investment Act (WIA). Based on these violations, the CRC concluded Florida must take certain corrective actions, or face sanctions that could include termination of DOL-funding. To date, Florida has not entered into any form of compliance agreement to institute necessary corrective actions.

In October 2013, Florida launched a new UI website and claims-filing system, known as CONNECT, that resulted 2-4 month delays in benefit payments to tens of thousands of unemployed Floridians. These delays ultimately prompted the U.S. Department of Labor to order that Florida DEO institute necessary corrective actions and system modifications to begin making timely payments. Major problems with the design and testing of the new CONNECT system were the subject of legislative hearings and a state

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<sup>1</sup> <http://www.nelp.org/publication/aint-no-sunshine-florida-unemployment-insurance/>.

<sup>2</sup> <http://www.titleviconsulting.com/blog/?p=458>.

audit. CONNECT is more complex and requires more individualized adjudications than the prior filing system. As a result, Florida has been among the slowest states in the nation in determining the eligibility of unemployed workers who apply for UI benefits.

In the 33 months after CONNECT went live (October 2013 through June 2016), Florida ranked second to last nationally in meeting a core UI program performance measure known as first-payment timeliness. This measure captures the percentage of benefit payments issued to claimants within 14 days after the first compensable week of unemployment. The federal standard is 87 percent; in the 33 months from October 2013 to March 2015, just over 66 percent of Florida first payments were issued within the recommended time frame.

Other key findings in the NELP report were:

- The number of workers disqualified for not satisfying procedural reporting requirements quadrupled since online filing was mandated in August 2011, despite the fact that fewer than half as many individuals were claiming benefits.
- Only 39 percent of those Florida workers who apply for benefits ever receive a first payment, the second lowest rate in the country. Nationally, 68 percent of those workers applying for unemployment insurance receive UI benefits. Florida's first-payment rate has dropped roughly 20 percentage points since 2010.
- Only 12 percent of Florida's unemployed received unemployment insurance in the 12-month period ending June 30, 2015, tied with South Carolina for the lowest of all 53 jurisdictions administering unemployment insurance programs. The national average is 27 percent. (Note: Reciprocity in Florida dropped further to 10 percent for the year ending June 30, 2016.)

#### FIRRE Questions

*(1) Does Florida have clear evidence that 110,000 blocked claims were clearly illegal?*

NELP cannot answer whether Florida has evidence that 110,000 claims blocked were illegal. We do know that in a national presentation last October (attached), DEO reported that it had blocked in excess of 130,000 claims through FIRRE. Since DEO is now reporting a number that is more than 20,000 less than that after an additional year of operation, it is possible that there has been some change in the way DEO categorizes blocked claims as "illegal".

A published report by the Sun-Sentinel last November (attached) documented a number of cases in which unemployed workers were locked out of the CONNECT system for reasons relating to verification of identity. The Sun-Sentinel piece (which also reports last year's higher number of claims) explains how claimants flagged as potential fraud are locked out of CONNECT for 72 hours and are instructed to call DEO and required to provide documentation of their identity. The frustrating experience of some claimants trying to prove their identities to DEO is recounted in the article, including the difficulty in reaching a staff person to provide assistance. We know that some unemployed workers ultimately verify their identity to DEO and are able to file their claims; DEO should subtract this number from the cases identified by FIRRE as a first step toward ascertaining the true number of attempted fraud claims. What we do not know is how many claimants misidentified as potential fraud do NOT make it through the process of identity verification, either because they are unsuccessful when they try or because they do not

try. It seems probable that an individual attempting to perpetrate fraud on-line through identity theft would likely not engage DEO staff directly once they have been locked out of the system.

- (2) *What are some of the reasons that FIRRE's software might be blocking claims from workers who just want the benefits they earned?*

Legal Services attorneys in the Sun-Sentinel piece speak about the difficulty of contacting an agency representative and of the range of causes (including mistakes) for a person to be locked out of the system; these include forgetting a PIN and inability to answer unusual questions about prior addresses. Anecdotally, NELP has been told by state advocates that some of the causes cited by unemployed workers have included more than one person filing from the same computer (not uncommon when claimants use computers at public libraries or community organizations), and differences in residential address from what is reported by the Department of Motor Vehicles.

- (3) *Are there other states that are similarly using computer software to accuse individuals of fraud, without making sure the allegations are correct?*

I have already provided testimony about how Michigan's MIDAS system made wholesale accusations of claimant fraud solely using computer software and left it to claimants to appeal and defend these accusations. Systematic over identification of fraud without due process left thousands of law-abiding Michigan workers with unwarranted debts and penalties, the state facing lawsuits and the public trust in government severely eroded. Numerous other states are developing identity verification/fraud prevention systems but to date, we know of no states that have been as cavalier with due process as Michigan or have made it exceedingly difficult to correct cases of fraud misidentification.

# Ain't No Sunshine:

## Fewer than One in Eight Unemployed Workers In Florida Is Receiving Unemployment Insurance

BY GEORGE WENTWORTH & CLAIRE MCKENNA

### Executive Summary

Over the past four years, Florida has imposed a series of new claims-filing requirements and procedures that have made it more difficult for involuntarily unemployed workers to apply and qualify for unemployment insurance (UI). As a consequence of procedural hurdles and drastic cuts in available benefit weeks, fewer than one in eight unemployed Floridians is currently receiving unemployment insurance, the lowest rate in the nation. This downward trend has accelerated since the introduction of a new automated filing system known as CONNECT in the fall of 2013.

Electronic filing requirements, some of which were included in state legislation enacted in 2011, have made the process of establishing UI eligibility in Florida among the most onerous in the country. Immediately after implementation of House Bill 7005 in August 2011, thousands of workers were unable to successfully complete online transactions necessary to apply and qualify for UI benefits, largely because of poor automated systems and lack of personal customer assistance. Each of these transactions could only be completed online: initial claim filing, registration with the public employment service, posting of an online resume, a 45-question math, reading, and research skills test,<sup>1</sup> and extensive documentation of weekly work-search activity.

In the fall of 2013, the Florida Department of Economic Opportunity (DEO) launched, to disastrous effect, a new automated filing system known as CONNECT. Tens of thousands more claimants experienced benefit delays of two to four months, prompting the Secretary of Labor to intervene and order corrective action necessary to get benefits paid. Major problems

with the design and testing of the new CONNECT system have been the subject of legislative hearings and a state audit. CONNECT is more complex and requires more individualized adjudications than the prior filing system. As a result, Florida has been among the slowest states in the nation in determining the eligibility of unemployed workers who apply for UI benefits.

Since 2011, the Florida unemployment insurance program has made it more difficult for workers to receive benefits following involuntary job loss. Key indicators of this trend include the following findings:

- Only 12 percent of Florida's unemployed received unemployment insurance in the 12-month period ending June 30, 2015. That rate is tied with South Carolina for the lowest of all 53 jurisdictions administering unemployment insurance programs. The national average is 27 percent. Reciprocity in Florida dropped from 16 to 12 percent in the eighteen months following the launch of CONNECT.
- Between 2010 and 2014 (a period in which Florida's unemployment rate dropped from over 11 percent to 5.7 percent), the number of claimants who were disqualified for reasons not related to the separation from their job increased by more than 180 percent. Most of that increase was because claimants did not satisfy a procedural reporting requirement or because the state found that they were not "able and available" for work or did not meet requirements for online documentation of employment registration or work search.
- The number of workers disqualified because DEO found they were not "able and available for work" or not

“actively seeking work” more than doubled in the year following the launch of CONNECT, even though weekly claims declined by 20 percent in that same year.

- The number of workers who have been disqualified for not satisfying procedural reporting requirements has quadrupled since online filing was mandated in August 2011, despite the fact that fewer than half as many individuals are claiming benefits.
- Only 39 percent of those Florida workers who apply for benefits ever receive a first payment, the second lowest rate in the country. Nationally, 68 percent of those

workers applying for unemployment insurance receive UI benefits. Florida’s first-payment rate has dropped roughly 20 percentage points since 2010.

- Between calendar years 2010 and 2014, new claims for benefits in Florida declined by 44 percent compared to 32 percent nationally. During that same period in which there were comparable declines in state and national unemployment rates, first UI payments declined by 62 percent in Florida compared to 35 percent nationally.

## **Background: House Bill 7005 Cuts Benefits and Imposes Unfair Filing Obstacles**

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In 2011, the Florida legislature enacted, and Governor Rick Scott signed into law, a series of major changes to the state’s unemployment insurance program (HB 7005). These changes made it more difficult for unemployed workers to access, qualify for, and maintain benefits, and decreased the duration of benefits qualified unemployed workers were eligible to receive. The law imposed new barriers to benefit eligibility and expanded benefit disqualifications.

As background, UI claimants must meet certain requirements to initially qualify for weekly benefits and to remain eligible on an ongoing basis, throughout their unemployment spell. The first two components of UI eligibility are (1) establishing monetary entitlement by having enough recent wages to meet state minimum earnings requirements, and (2) being involuntarily unemployed (in other words, the claimant’s job separation was not for a reason that is disqualifying under state law, e.g., discharge for misconduct, or voluntary leaving without cause). After these two conditions have been satisfied, claimants must establish that they are able to work, available for work, and actively seeking work during each week they are claiming benefits. It is in these “continuing eligibility” conditions, in particular, where there is considerable variation among states in terms of how they measure such concepts as adequacy of labor market attachment and work search.

Like most other states, Florida’s unemployment trust fund borrowed from the federal government in order to pay benefits during the Great Recession. In response to increased federal unemployment taxes on business, Florida enacted major unemployment insurance legislation in 2011 aimed at reducing benefit payouts. Among the major changes enacted in Florida by HB 7005 were the following:

- Requiring that all benefit claims must be filed electronically;
- Requiring all UI applicants to complete an online “Initial Skills Review” test in order to be eligible for benefits;
- Requiring all UI recipients to contact five employers per week, and to report those contacts to the state agency, to maintain eligibility;<sup>2</sup>
- Replacing the maximum benefit duration of 26 weeks with a sliding scale tied to the state’s unemployment rate, ranging from 23 weeks when the rate is 10.5 percent or higher, down to as few as 12 weeks when the rate drops below 5.5 percent;<sup>3</sup>
- Expanding the definition of disqualifying misconduct; and
- The unemployment insurance program itself was re-named “Reemployment Assistance”.<sup>4</sup>

Florida’s adoption of a mandatory online claim-filing system and virtual elimination of filing by telephone, long the primary method of filing, disenfranchised thousands of UI claimants who could not successfully navigate the complex and unwieldy online application. The electronic transactions associated with claim-filing took the average computer-fluent claimant 30 minutes to complete, and more than an hour when coupled with a required initial skills review exam.<sup>5</sup> Those affected included individuals with literacy deficits, limited English proficiency, mental and physical disabilities, and limited experience with computer technology. Indeed, workers from all backgrounds faced greater process obstacles to establishing UI eligibility than in any other state.

Limited-English-proficient (LEP) persons and people with disabilities were effectively denied access to UI

benefits under the new system. On April 5, 2013, the U.S. Department of Labor's Civil Rights Center (CRC) issued a 56-page initial determination in Miami Workers Center v. Florida Dept. of Economic Opportunity, Division of Workforce Services (CRC Complaint No. 12-FL-048), finding the state's electronic filing system for UI benefits had a discriminatory effect on LEP persons and persons with disabilities in violation of Title VI of the Civil Rights Act, section 504 of the Rehabilitation Act, Title II of the Americans With Disabilities Act, and section 188 of the Workforce Investment Act (WIA). Based on these violations, the CRC concluded Florida must take certain corrective actions or face sanctions that could include termination of federal UI administrative funding. To date, Florida has not entered into any form of compliance agreement to institute necessary corrective actions. Florida imposed a series of eligibility conditions that required claimants to complete additional online transactions to establish or maintain UI eligibility. As with the basic online initial claim, each of these transactions

was made more difficult by the lack of staff assistance available to claimants trying to navigate each new electronic requirement. The additional online transactions included the following:

- An initial skills assessment consisting of a 45-question test to be completed online as part of the initial claim process; (Note: In 2014, the Florida Legislature acted to make the skills assessment voluntary and removed participation in the assessment process as a condition of benefit eligibility. See HB 7023.<sup>6</sup>)
- A requirement that UI claimants register for work electronically on the "Employ Florida Marketplace" as a condition of benefit eligibility, including completion of a "background wizard" (another detailed online application in order to qualify for a first benefit payment) and an online resume; and
- Detailed documentation of five employer contacts per week on weekly claim certifications filed electronically as a condition of weekly eligibility.<sup>7</sup>

## New Filing Requirements Drive Down Applications and First Payments

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Collectively, all of these requirements resulted in disproportionately fewer unemployed workers applying for and receiving UI benefits. Both new applications for UI benefits by persons recently unemployed, known as initial claims, and first benefit payments in Florida experienced disproportionate declines relative to national levels, despite comparable improvements in rates of unemployment.

From the 12 months ending July 2011 to the same period ending July 2012, average weekly new state UI initial claims in Florida declined by 23 percent, while average weekly state UI first payments dropped by an even greater 40 percent. By comparison, new initial claims and first payments nationwide experienced respective declines of just 9 and 10 percent over the same period.<sup>8</sup>

Cumulatively, the impact of these changes appears to have endured. Despite a decline in unemployment very comparable to the national trend line, Florida has seen substantially steeper declines in all measures related to unemployment insurance claims-filing and receipt. Between calendar years 2010 and 2014, new claims for benefits in Florida declined by 44 percent compared to 32 percent nationally. During that same period, first UI payments declined by 62 percent in Florida compared to 35 percent nationally. And while average weekly continuing claims dropped by 42 percent nationally, the decline in Florida was 62 percent (see Table 1 below).



**Table 1. Average Weekly State UI Claims in Florida and the United States (in thousands), 2010 and 2014**

	New Initial Claims	First Payments	Continuing Claims
<b>Florida</b>			
2010	17.4	9.8	218.9
2014	9.8	3.7	84.2
% change	-44%	-62%	-62%
<b>United States</b>			
2010	276.6	199.5	4,484.2
2014	189.2	129.9	2,589.4
% change	-32%	-35%	-42%

Source: NELP calculations of U.S. Department of Labor, Employment and Training Administration, Office of Unemployment Insurance, 5159 Report, Claims and Payment Activities data. Figures cover State UI benefits.

## Since 2011, Disqualifications Based on Weekly Filing Requirements Have Skyrocketed

Since 2011, there has been dramatic growth in disqualifications based on claimants not satisfying a procedural reporting requirement or requirements for online documentation of employment registration or work search. Table 2 below shows the number of UI applicants in Florida who were denied benefits for reasons relating to nonmonetary requirements between 2010, the last full calendar year before HB 7005 took effect, and 2014, the last full calendar year for which there is data.

The upper half of the table shows denials by year for nonmonetary reasons unrelated to a claimant's separation from work (e.g., a claimant earned other income while claiming benefits, was found to be unavailable for work, or work search was deemed inadequate); the lower half shows denials by year for separation-related reasons (e.g., a claimant voluntarily quit a job without good cause).

The number of workers who have been disqualified because DEO found that they were not able and available for work or because they failed to comply with the state's "actively seeking work" standard has more than tripled since 2010, and has more than doubled in the year following implementation of the CONNECT system, from 2013 to 2014.

The number of workers who have been disqualified for purely procedural reasons (see "Reporting Requirements" section in Table 2 below) has increased by more than 300 percent since online filing was mandated in August 2011. In 2010, the last full year before the changes, fewer than 18,000 claimants were denied benefits for failing to meet reporting requirements. Last year, more than 75,000 Floridians were disqualified for process reasons, despite the fact that the number of individuals claiming benefits declined by more than half over the same period.

During a period in which Florida's unemployment rate dropped from over 11 percent to 5.7 percent, the annual number of disqualifications related to reasons other than separations increased by roughly 172,000 (or by more than 180 percent), and most of that increase (roughly 152,000 disqualifications last year) was because claimants did not meet a procedural reporting requirement or submit adequate documentation of employment registration or work search. Finally, in 2014, the number of denials for reasons related to work-search and procedural reporting requirements exceeded the total number of state UI first payments (approximately 213,100 denials compared to approximately 193,400 first payments).

**Table 2. Nonmonetary Denials by Reason in Florida (in thousands), 2010 to 2014**

	2014	2013	2012	2011	2010
Able, Available, or Actively Seeking Work	137.7	62.4	75.6	79.8	43.9
Disqualifying or Deductible Income	18.5	21.8	29.1	10.7	2.6
Refusal of Suitable Work	0.4	0.5	0.7	0.7	0.8
Reporting Requirements	75.5	105.9	84.0	48.7	17.6
Refusal of Worker Profiling Referrals	10.2	3.3	1.6	4.0	3.1
Other	23.0	8.7	11.1	13.7	25.4
<b>Total Nonseparation Denials</b>	<b>265.3</b>	<b>202.5</b>	<b>202.0</b>	<b>157.6</b>	<b>93.5</b>
<i>% change from year ago</i>	31%	0.3%	28%	69%	7%
Voluntary Leaving Work	54.5	40.0	53.0	64.8	86.4
Discharge for Misconduct	30.7	32.9	44.7	53.5	60.5
<b>Total Separation Denials</b>	<b>85.3</b>	<b>72.9</b>	<b>97.7</b>	<b>118.3</b>	<b>146.9</b>
<i>% change from year ago</i>	17%	-25%	-17%	-20%	-15%
<b>Total Nonmonetary Denials</b>	<b>350.6</b>	<b>275.4</b>	<b>299.7</b>	<b>275.9</b>	<b>240.4</b>
<i>% change from year ago</i>	27%	-8%	9%	15%	-8%
Average Weekly New Initial Claims	9.8	10.5	11.8	13.7	17.4
<i>% change from year ago</i>	-6%	-11%	-14%	-21%	-13%
Average Weekly Continued Claims	84.2	105.3	126.3	158.8	218.9
<i>% change from year ago</i>	-20%	-17%	-20%	-27%	-24%

Source: NELP calculations of U.S. Department of Labor, Employment and Training Administration, Office of Unemployment Insurance, 207 Report, Nonmonetary Determinations Activities, and 5159 Report, Claims and Payment Activities data. Figures cover State UI benefits.

## Implementation of CONNECT Accelerates Already Steep Declines in Eligibility and Reciprocity

In October 2013, Florida launched a new UI website and claims-filing system, known as CONNECT, that resulted in months-long delays in benefit payments to tens of thousands of unemployed Floridians.<sup>9</sup> These delays ultimately prompted the U.S. Department of Labor to order that Florida DEO institute necessary corrective actions and system modifications to begin making timely payments.<sup>10</sup> Major problems with the design and testing of the new CONNECT system have been the subject of legislative hearings and a state audit.<sup>11</sup>

In the 18 months after CONNECT went live (October 2013 through March 2015), Florida ranked second to last nationally (just ahead of North Carolina) in meeting a core UI program performance measure known as first-payment timeliness.<sup>12</sup> This measure captures the percentage of benefit payments issued to claimants within 14 days after the first compensable week of unemployment.<sup>13</sup> The federal standard is 87 percent; in the 18 months from October 2013 to March 2015, just over 64 percent of Florida first payments were issued within the recommended time frame.

In the year following implementation of Florida's CONNECT system, from 2013 to 2014, the number of benefit denials resulting from nonmonetary determinations (unrelated to separations) increased by 31 percent (or by roughly 62,800), despite the fact that state UI new initial claims decreased by a little more than 6 percent,

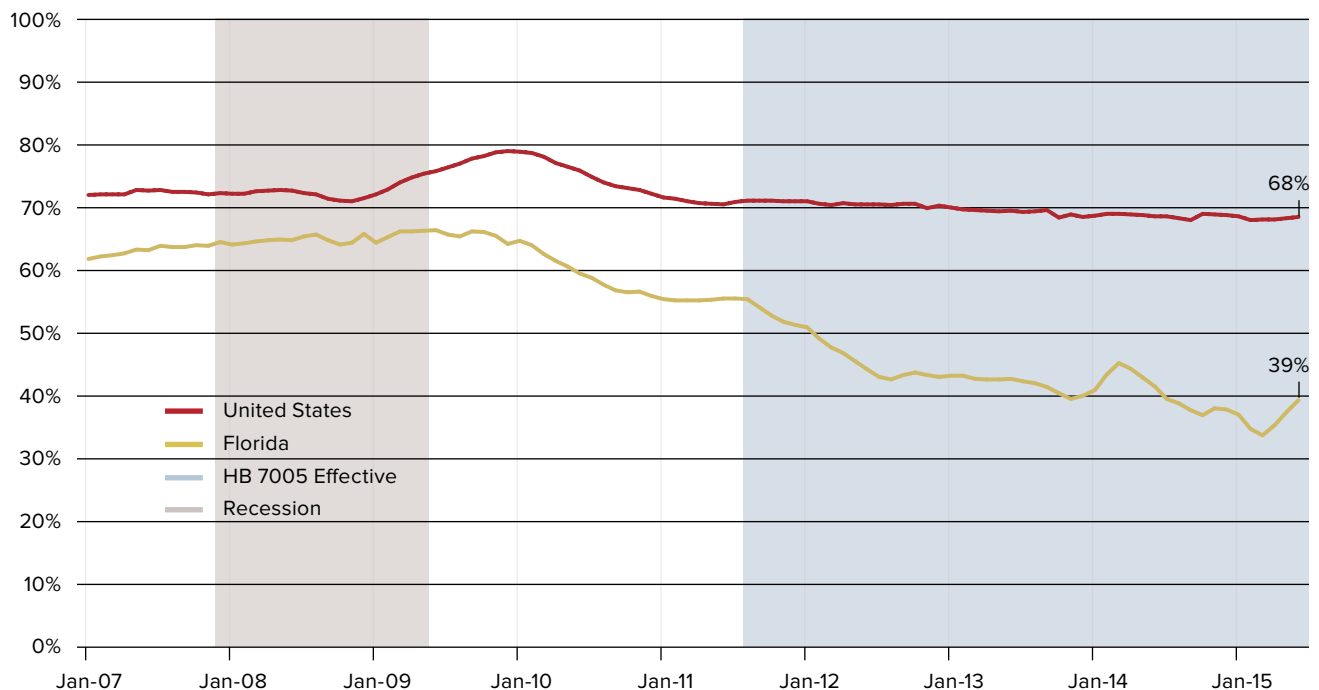
first payments decreased by 12 percent, and weekly claims fell by 20 percent (see Table 2, row titled "Total Nonseparation Denials"). Most notably, denials for reasons related to availability for work and work search more than doubled following the launch of CONNECT, increasing from about 62,400 to 137,700.

## Fewer than Four in Ten Applicants for Unemployment Insurance in Florida Ever Receive a UI Payment

A major reason that Florida has the lowest UI reciprocity rate in the nation is that more than 6 in 10 workers who apply for benefits are disqualified before ever receiving a single week of benefits. Figure 1 below shows first benefit payments as a proportion of new initial claims in Florida and the United States since shortly before the Great Recession began in in the final quarter of 2007. The figures shown are 12-month averages. In the year ending June 2015, of those Florida workers who applied for benefits, only 39 percent ever received a first payment, compared to 68 percent nationally. (This actually

represents an increase from an earlier 12-month period ending March 31, 2015 when only 34 percent, or one in three Florida claimants, received a first payment—an all-time state low.) Thus, while two out of three unemployed workers who apply are eligible for UI nationally, more than 6 in 10 Florida applicants are denied benefits without ever receiving a first payment. Florida's first-payment rate is second lowest in the nation (a percentage point above South Carolina) and has dropped 20 percentage points since a comparable period in 2010.

**Figure 1. Percentage of New Initial Claims Resulting in First Payments in Florida and the United States, January 2007 to June 2015**



Source: NELP calculations of U.S. Department of Labor, Employment and Training Administration, Office of Unemployment Insurance, 5159 Report, Claims and Payment Activities data. New initial claims and first payments cover state UI benefits, UCX, and UCFE. Figures are 12-month moving averages to account for seasonality.

## Fewer than One in Eight Unemployed Workers in Florida Is Receiving Unemployment Insurance

Fewer than one in eight unemployed workers in Florida is receiving unemployment insurance. Figure 2 below shows the shares of all unemployed workers in Florida and the United States who received UI benefits in each quarter since the beginning of 2007. The figures shown are 12-month averages. Only 12 percent of Florida's unemployed received unemployment insurance in the year ending June 30, 2015. That rate is tied (with South Carolina) for the lowest in all 53 jurisdictions administering unemployment insurance programs. For the most recent quarter alone (not shown in the figure), Florida's reciprocity rate dropped to just below 11 percent.<sup>14</sup>

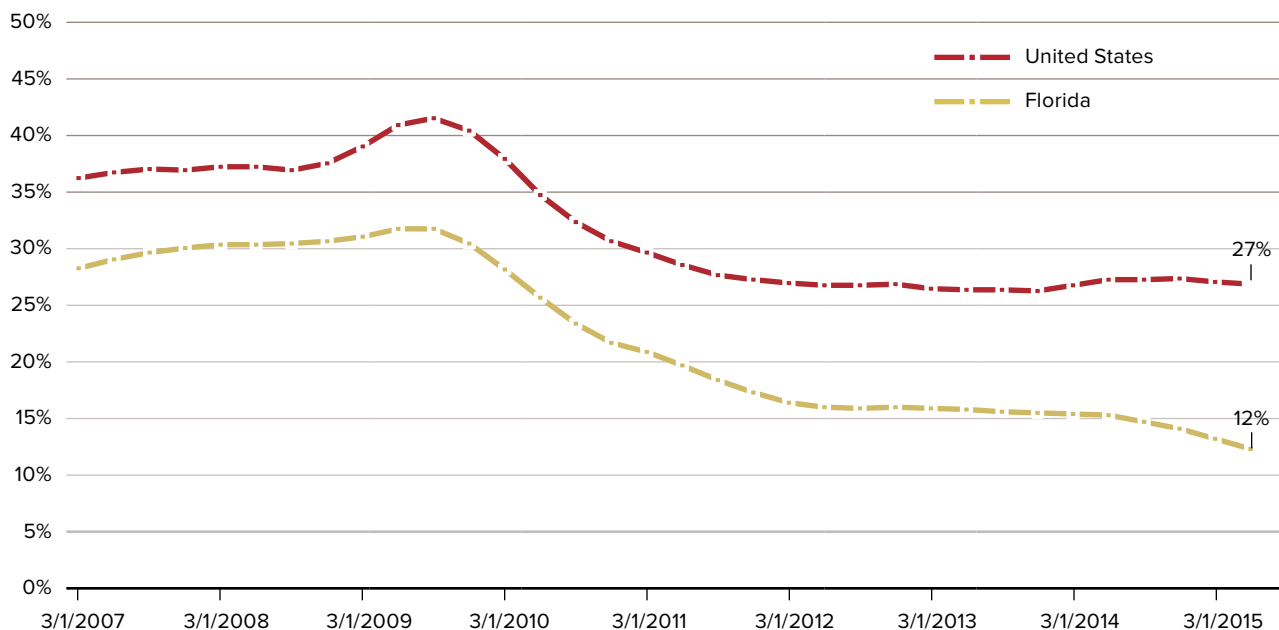
UI reciprocity in Florida has trailed the national average since before the start of the Great Recession. For instance, Figure 2 shows that reciprocity in Florida and the nation each hit a high point shortly after the declared end of the recession in 2009. In the third quarter of 2009, 42 percent of unemployed workers nationally received UI benefits, while that number was 32 percent in Florida for the same period. In the following five and a half years, national reciprocity declined by 15 percentage points (or 35 percent) to 27 percent. But the decline in Florida's reciprocity has been much steeper – a drop of 20 points (or

61 percent) to 12 percent. Notably, this downward trend sharpened following the launch of CONNECT in October 2013.

A portion of this low rate of reciprocity is also attributable to the fact that Florida's program now provides only a maximum of 14 weeks of benefits, tied with Georgia for second lowest in the nation.<sup>15</sup> One consequence of having cut the scope of its program almost in half is that Florida currently has the highest UI exhaustion rate in the nation. For the most recent 12-month period for which data is available, approximately 62 percent of Florida claimants who received benefits exhausted their maximum entitlements without having found new employment.<sup>16</sup>

Clearly with almost two-thirds of those claimants who do manage to receive benefits running out of UI before they find a new job, the Florida program is not meeting the basic goal of serving as a bridge from loss of one job to securing suitable new employment.<sup>17</sup> The 14-week maximum not only prematurely pushes jobless Floridians into the 88 percent of unemployed workers without financial protection; it also forces those same workers to accept employment that is not comparable to the jobs they lost.

**Figure 2. Regular UI Weeks Claimed to Total Number of Unemployed Workers, First Quarter of 2007 to Second Quarter of 2015**



Source: NELP calculations of U.S. Department of Labor, Employment and Training Administration, Office of Unemployment Insurance, 5159 Report, Claims and Payment Activities, and U.S. Bureau of Labor Statistics data. Weeks claimed cover state benefits, UCX, and UCFE. Figures are 12-month moving averages to account for seasonality.

## Conclusion

Unemployment insurance is a federal-state program created by the Social Security Act of 1935. The purpose of unemployment insurance is to promptly provide partial income replacement for workers who are involuntarily unemployed so that they can meet basic financial needs while looking for new employment. Florida's program is no longer serving that purpose.

Florida has imposed a series of burdensome process requirements and technological obstacles so severe that unemployment insurance is virtually inaccessible for the average jobless Floridian seeking benefits earned through their work histories. Instead of remedying this problem, the implementation of the CONNECT system appears to have made the situation worse. And for the small share of jobless workers who do receive benefits, the limited weeks available have proven to be inadequate time for most to secure suitable new employment.

A program in which the number of disqualifications for reasons relating to availability, work search, and procedural reporting requirements exceeds the number of first payments is not unemployment insurance; it is an

obstacle course. And the steep decline in Florida initial claims over the past four years (by 44 percent compared to 32 percent nationally) strongly suggests that these obstacles are discouraging unemployed workers from filing for unemployment insurance.

The federal government funds administration of the unemployment insurance program, and federal law establishes standards with which states must comply to ensure qualified unemployed workers can access benefits<sup>18</sup> and are not unfairly denied.<sup>19</sup> The State of Florida is thwarting the fundamental rights of unemployed workers to apply and qualify for unemployment insurance. An insurance program that pays benefits to fewer than 4 in 10 unemployed workers who apply and fewer than one in eight jobless workers in the state can hardly be called insurance. Unemployed Floridians struggling to make ends meet until they get that next job deserve a UI system that is fair and accessible. The Social Security Act was intended to hold state unemployment insurance programs to standards of fairness and accessibility. There should be no exception for Florida.

## Endnotes

1. In 2014, the Florida legislature amended the law to make the initial skills review voluntary and to remove it as a condition of eligibility for unemployment insurance. See CS/HB 7023 (2014).
2. This requirement was modified in 2012 to require contact with only three employers in smaller Florida counties (Fla. Stat. 443.091(1)(e)6.)
3. Under this formula, the current maximum duration of unemployment insurance in Florida is 14 weeks.
4. For purposes of this report, we will refer to the Florida program as unemployment insurance.
5. "Getting Unemployment Check in Florida Frustrating Ordeal for Many," St. Augustine Record, August 22, 2012, available at [http://staugustine.com/news/local-news/2012-08-22/getting-unemployment-check-florida-frustrating-ordeal-many#.Vfl\\_3RFVhBe](http://staugustine.com/news/local-news/2012-08-22/getting-unemployment-check-florida-frustrating-ordeal-many#.Vfl_3RFVhBe). See also Letters of Complaint to U.S. Secretary of Labor Hilda Solis from Florida Legal Services and National Employment Law Project, dated May 18, 2012 and October 1, 2012.
6. Ch. 2014-218. Section 19 amending Section 443.091 (c)(1) Florida Statutes.
7. For claimants unable to make the required number of employer contacts in a week, meeting with a representative at a local CareerSource Center to access reemployment services may satisfy the work search requirement for that week. For more information see <http://sitefinity.floridajobs.org/onestop/onestopdir/>.
8. U.S. Department of Labor, Employment and Training Administration, Office of Unemployment Insurance, 5159 Report, Claims and Payment Activities. Figures cover State UI benefits. Available at <http://ows.doleta.gov/unemploy/DataDownloads.asp>.
9. Frances Robles, "Faulty Websites Confront Needy in Search of Aid," New York Times, January 7, 2014, available at <http://www.nytimes.com/2014/01/07/us/faulty-websites-confront-needy-in-search-of-aid.html>. Lizette Alvarez, "Florida site said to delay millions in aid to jobless," New York Times, January 10, 2014, available at <http://www.nytimes.com/2014/01/11/us/floridas-site-said-to-delay-millions-in-aid-to-jobless.html>.
10. Michael Van Sickler, "DEO Mum on Status of Payments to Thousands of Unemployed Floridians," Tampa Bay Times, January 27, 2014, available at <http://www.tampabay.com/news/business/deo-mum-on-status-of-payments-to-thousands-of-unemployed-floridians/2162972>.
11. Michael Van Sickler, "State Audit Highly Critical of Florida's Unemployment System CONNECT," Tampa Bay Times, February 27, 2015, available at <http://www.tampabay.com/news/politics/gubernatorial/state-audit-highly-critical-of-floridas-unemployment-system-connect/2219504>. See also Report of Florida Auditor General David W. Martin, Department of Economic Opportunity: CONNECT, Informational Technology Operational Audit, Report No. 2015-107, February 2015, available at [http://www.myflorida.com/audgen/pages/pdf\\_files/2015-107.pdf](http://www.myflorida.com/audgen/pages/pdf_files/2015-107.pdf).
12. U.S. Department of Labor, Employment and Training Administration, Office of Unemployment Insurance, State Rankings of Core Measures, First Payment Timeliness (in 14/21 days), available at <http://workforcesecurity.doleta.gov/unemploy/ranking.asp>.
13. The first-payment standard for states without a waiting week is 87 percent of first payments made within 21 days after the first compensable week.
14. U.S. Department of Labor, Employment and Training Administration, Office of Unemployment Insurance, UI Data Summary, Second Quarter 2015, available at [http://ows.doleta.gov/unemploy/content/data\\_stats/datasum15/DataSum\\_2015\\_2.pdf](http://ows.doleta.gov/unemploy/content/data_stats/datasum15/DataSum_2015_2.pdf).
15. The lowest benefit maximum in the nation is offered in North Carolina, which recently lowered its maximum UI entitlement to 12 weeks for initial claims filed after July 1, 2015.

16. U.S. Department of Labor, Employment and Training Administration, Office of Unemployment Insurance, UI Data Summary, Second Quarter 2015, available at [http://ows.doleta.gov/unemploy/content/data\\_stats/datasum15/DataSum\\_2015\\_2.pdf](http://ows.doleta.gov/unemploy/content/data_stats/datasum15/DataSum_2015_2.pdf).
17. Florida's weekly UI benefits are also among the least generous in the nation. The average UI payment is currently \$237 per week, and the maximum benefit level of \$275 is higher than only four other states. See UI Data Summary, Second Quarter 2015, available at [http://ows.doleta.gov/unemploy/content/data\\_stats/datasum15/DataSum\\_2015\\_2.pdf](http://ows.doleta.gov/unemploy/content/data_stats/datasum15/DataSum_2015_2.pdf).
18. Section 303 (a) (1) of the Social Security Act requires states to employ “(s)uch methods of administration . . . as are found by the Secretary of Labor to be reasonably calculated to insure full payment of unemployment compensation when due.”
19. Section 303(b)(1) of the Social Security Act states: “Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that in the administration of the law there is—
  - (1) a denial, in a substantial number of cases, of unemployment compensation to individuals entitled thereto under such law . . . the Secretary of Labor shall notify such State agency that further payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such denial or failure to comply.”



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2015 NASWA UI Directors' Conference  
Identity Theft & Public Benefits Fraud

Fraud Initiative Rating and Rules Engine (FIRRE)

Ben Bakas - [Ben.Bakas@deo.myflorida.com](mailto:Ben.Bakas@deo.myflorida.com)  
John Sacco - [John.Sacco@deo.myflorida.com](mailto:John.Sacco@deo.myflorida.com)



# THE PROBLEM



- **Identity theft** occurs when someone's Personal Identifying Information (Social Security number, date of birth, driver's license information, wage information, medical information, etc.) is accessed/used without his or her knowledge/permission, usually for financial gain.
- **Personal Identifying Information** (Social Security number, date of birth, and driver's license information, etc.) is being secured through hacking, theft, data breaches, or by other means.





# PREVALENCE

- ***“In 2014 there was a new Identity theft victim every two seconds”***  
– Javelin Strategy and Research 2015
- ***“Florida is the state with highest per capita rate of reported identity theft complaints, followed by Washington and Oregon”*** – FTC Feb 2015
- ***Identity theft affects everyone*** (FTC Feb. 2015)

0-19 - 6%  
20-29 - 18%  
30-39 - 18%  
40-49 - 19%  
50-59 - 19%  
60-69 - 13%  
70+ - 7%



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# PREVALENCE

## ID Theft is at crisis levels

**U.S. Population: 320,000,000**

**Records Breached in 2014: 1,023,108,267**

A sampling of populations hit by identity theft in recent years:

- |                               |                             |
|-------------------------------|-----------------------------|
| • Court Ventures: 200,000,000 | • Target: 70,000,000        |
| • EBay: 145,000,000           | • Home Depot: 56,000,000    |
| • Heartland: 130,000,000      | • U.S. OPM: 18,000,000      |
| • TJ Maxx: 94,000,000         | • Experian: 15,000,000      |
| • AOL: 92,000,000             | • Excellus BCBS: 10,000,000 |
| • Anthem: 80,000,000          | • Virginia DOH: 8,200,000   |
| • Sony: 77,000,000            | • Scottrade: 4,600,000      |
| • JP Morgan: 76,000,000       | • Texas HHS: 2,000,000      |



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# **PUBLIC BENEFITS FRAUD**



- *Criminals, including organized gangs, are using stolen IDs to steal massive sums from government agencies*
- *Miami US Attorney: “We are facing a tsunami of fraud. Stolen IDs are the new crack cocaine of criminal street gangs”*
- *“Government benefits fraud was the most common form of reported identity theft in 2014” – FTC Feb 2015*
- *“Tax-refund fraud is estimated to reach \$21 billion by 2016 due to identity theft” – CNBC Feb 2015*



# FLORIDA UI EXAMPLE

- **2013:** Identified about **9,600 fraudulent claims** through complaints, etc.
- **2014:** deployed in-house data analytics program and found nearly **70,000 fraudulent claims**
- **2015** (as of August 31<sup>st</sup>): identified over **57,000 fraudulent claims** (on pace for **85,000 fraudulent claims**)
- The potential value of fraudulent claims = **\$529 million**
- **Note:** UI is small in scope (70K claimants) compared to other benefits (3.6M SNAP beneficiaries)



# WHY SO MUCH FRAUD?

- Ease of stealing IDs (information is everywhere and unprotected)
- Automation and use of internet as the primary benefit delivery system
- Mandates for fast payment vs. fraud detection
- Many agencies are not looking for this and are not coordinating
- A safe and profitable crime
  - One claim in all 52 UI programs = \$21,000 per week



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# FLORIDA SOLUTION



- Executive support regarding state and federal assistance
- Created in-house business driven solution
- Fraud Initiative Rating and Rules Engine (**FIRRE**) looks for patterns that indicate fraud
- Increased staff dedicated solely to ID theft fraud from 6 to 35
- Shared data with other states and with other agencies in Florida
- Identified points within each business process that help detect identity theft



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# OUR SUCCESS



- The State Excellence Award for Leadership (SEAL) Award in 2015
- Estimated cost savings was more than \$307 million in 2014
- As of August 2015 estimated cost savings is more than \$221 million
- At the current rate, the program is on track to prevent more than \$327 million in fraudulent claims from being paid in 2015
- Millions in cost avoidance for downstream business impacts of fraudulent claims
- Provided specific data sets to U.S. Department of Labor (OIG) and law enforcement that aids in prosecution



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# FIRRE Technical

## History of RA Fraud:

- Traditional Fraud = File for Unemployment collect benefit but go back to work
- New Fraud:
  - File fraudulent claim based on someone else's identity
  - Hijack claim and redirect payments

## History of FIRRE:

- Work started in Jan 2013
- FIRRE POC Live May 2013
- FIRRE Solution Design July 2013
- SBR granted Oct 2013
- Executive approval to develop FIRRE solution July 2014
- Development kickoff date 2014-10-22

FIRRE Solution is the reason for this project. We want to use cutting edge technologies to identify fraud before it gets into any system. By using and linking various data sources, DEO wants to stop fraudulent activity early in order to eliminate the downstream effects. It takes approximately, 20+ man hours to clean up a fraudulent claim.





# FIRRE Technical

## FIRRE 1.0 Phase 1 scope:

- Create framework for full solution
- Be able to import data into database from various sources on a daily and real-time basis
- Use the data to link and identify fraudulent claims for day, week, month, year and all time for limited business rules
- Have a real-time interface to Connect for locking and unlocking claims
- Gather statistics for Machine Learning

Status = Complete

## FIRRE 2.0 Phase 2 scope:

- Enable more rules
- Enable Machine Learning / Intelligence
- Add more data sources
- Enhance ad-hoc reporting
- Enhance user experience
- Add real-time interfaces with Connect
- Add hardware

• Status = In Progress

## FIRRE 3.0 Phase 3 scope:

- Refine and add rules Rules
- Refine Machine learning
- Enable rules from other Departments
- Grant access to other Florida departments (DCF)
- Add hardware

## FIRRE 4.0 Phase 4 scope:

- Extend to second data center



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# FIRRE Technical

The Fraud Initiative Rules and Rating Engine (FIRRE) system is a custom developed real-time intelligent system based on modern technologies used by Facebook, Google, Amazon, Netflix, eBay and other innovative companies to identify patterns for fraud and behavior analysis. The technologies allow for fast, concurrent, and parallel processing of rules by the rules engine to efficiently and effectively process the data to detect fraudulent activity near real-time. The system can be used and applied to any number of programs.

Real time interfaces will allow the detection of fraudulent / suspicious activity before the claim has been accepted to reduce the downstream effects.

The following reports will ensure the accuracy and effectiveness of the system:

- Financial reports
- Statistical reports for all patterns
- Activity reports (security and productivity)
- Fraud reports (detection, cluster, cleared, etc.)

As in a credit score, each incoming claim will get a activity score to rate the risk of the claim.

Data linking and validation with other authoritative sources (DOR, DCF, FDLE, AHCA) will ensure the low risk of false positive identification.

Discussions with various states on POC analysis of their data through FIRRE

We anticipate changes in Machine Learning technologies will help further anticipate and detect fraudulent activity. FIRRE will keep pace with the current and emerging technologies in order to fully take advantage of advancement in Machine Learning.



# FIRRE Technologies

## (BACKEND)

- Datastax Enterprise
  - **Cassandra** = Data Store. NoSQL (Not Only SQL). Auto replicated. Fault tolerant. No Single point of failure. Designed by Facebook. It is modeled after Google Big Table and Amazon Dynamo. March 2009 it became an Apache project. Open source. SQL like access with CQL
  - **Solr** = Enterprise Google type searching. Reporting. Faceted Search. Real-time indexing. Dynamic clustering and integrated into Cassandra. Document handling (word, PDF). Access by REST and CQL Open Source Apache.
  - **Spark** = Analytics engine. Data Migration. ETL. 100X faster then Hadoop. Open source Apache.
  - **ML Lib** = Machine Learning Library for Spark.

## (DEVELOPMENT)

- **Python** = Used for interaction with Spark and Machine learning
- **Angular JS / Bootstrap** = Google developed Angular and twitter developed Bootstrap. Together they form the core of the user interface design and functionality.
- **Golang** = Language Developed at Google in 2007. Current release is 1.5. 25 words for the entire language. Highly productive. Faster then Java, C#, in almost all categories. Easier to program and develop. Single binary. No issues with Deployment. Designed to be concurrent. Most developers become productive in a day of learning. Used by the Google, Baidu, Docker, Twitter, Tumbler, Drobox, Sound Cloud, etc.



# FIRRE Infrastructure

## (HARDWARE)

- Architecture
  - HP DL 380 with 2 CPU Sockets
  - 512 GB Ram
  - SSD
  - CentOS Linux – to keep costs down

## (BACKEND)

- Datastax Enterprise
  - Cassandra
  - ML Lib
  - Solr
  - Spark

## (DEVELOPMENT)

- GoLang = Google Language
- Python
- Angular JS / BootStrap

### Benefits of Technologies used:

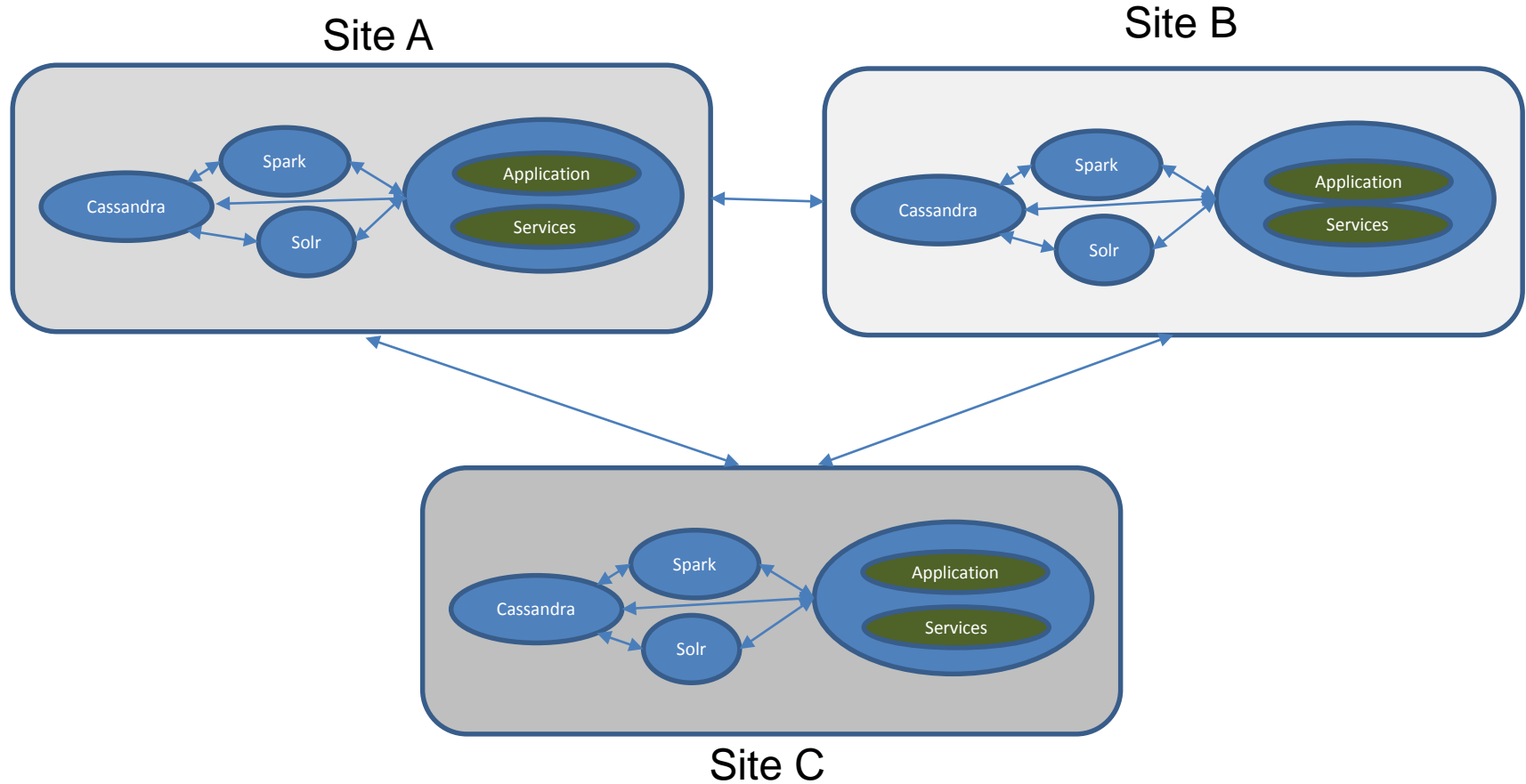
- Open Source - allows for minimal cost yet robust and feature rich
- Updated frequently by Community and governing body
- Modern – Technologies that are designed with current and future challenges of developing for large amounts of data
- Designed to be real time response
- Designed to be real time replication with very minimal effort and cost
- Designed for Enterprise search over **Petabytes** of data
- Designed to interact with **Petabytes** of data
- Designed to be able to perform analysis over **Petabytes** of data
- Designed to utilize Machine Learning to support continued enhancements



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# Potential Final FIRRE Architecture



# FIRRE Architecture

Multi-Tier  
Micro Service Architecture (uSoA)  
Model View Controller (MVC)  
Data Access Segregation (site key)

## Modules:

1. Security
2. Administration
3. Reports
4. Search
5. Interfaces
6. Verification
7. Libraries
8. Communication

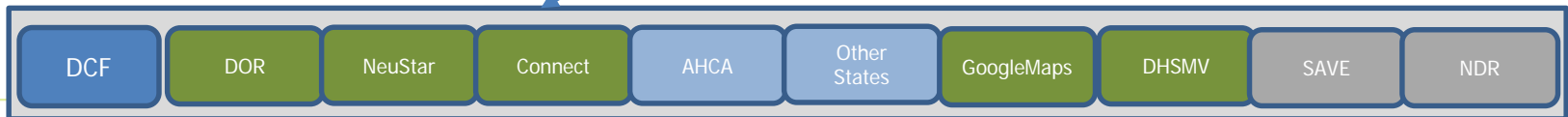
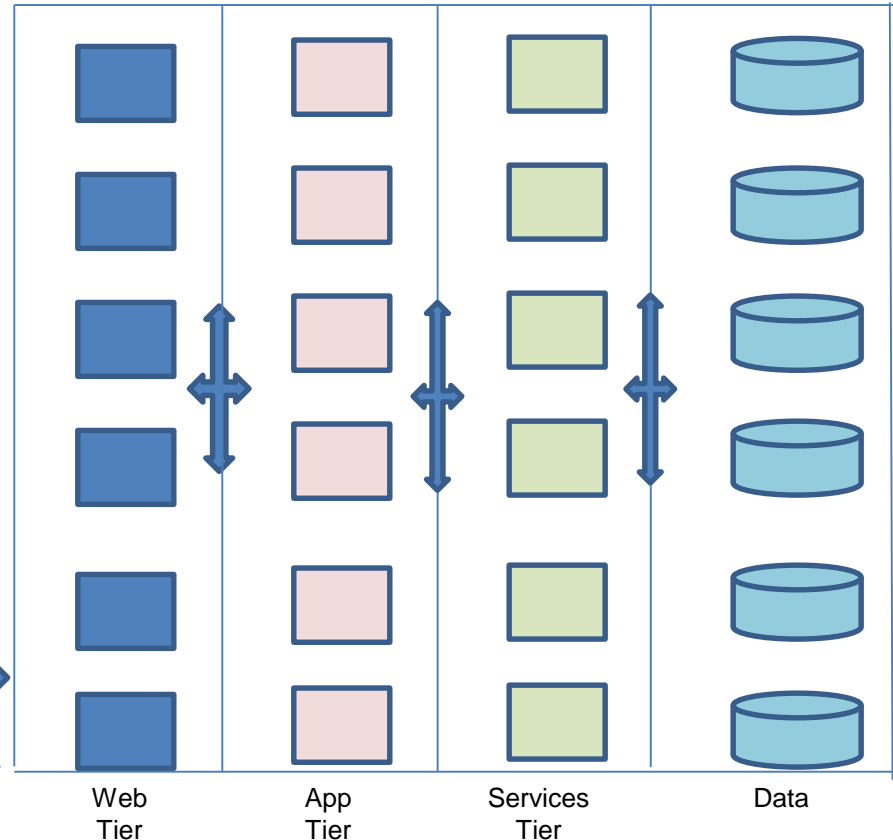
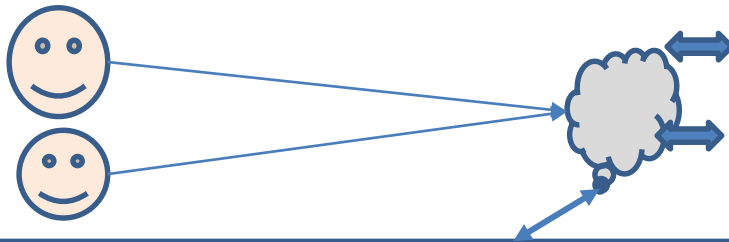
Cache IP addresses for XX months

Keep Good locations

Track all access

Source data and access segregation

Keep all data for XX years



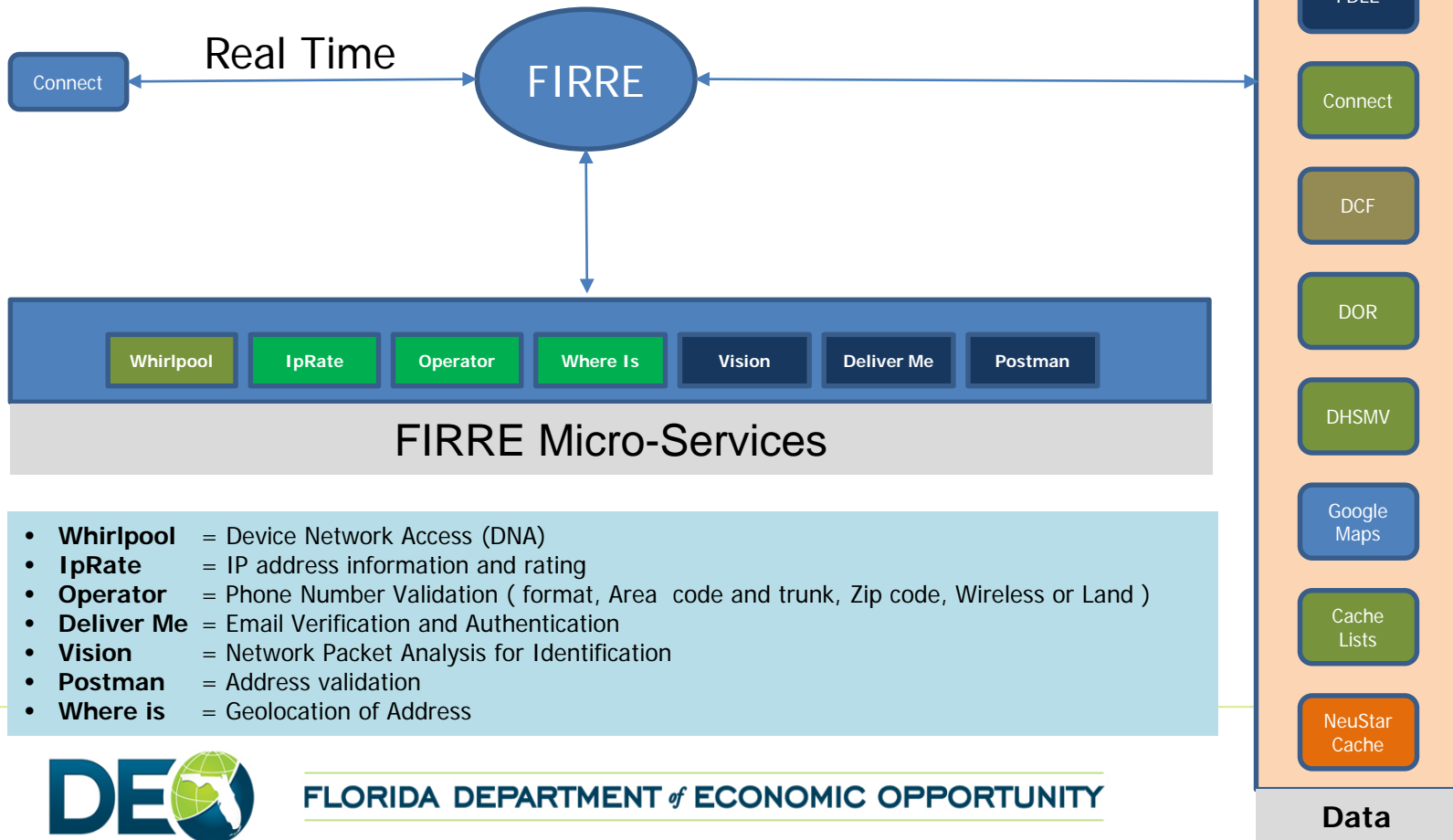
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# FIRRE Services

Real Time interfaces for:

1. Connect Initial Claims
2. Connect Continued Claims
3. Connect Maintenance Activity

FIRRE to Connect Locking  
FIRRE to Connect unlocking  
FIRRE To Connect investigate and Fraud flags



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# SCREENSHOTS



*Let's take a look at **FIRRE***



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Start your search... Search Reset

+ Advanced Search

See Details Flag For Verification Flag For Investigation Reorder/Hide Columns

	Claim ID	Claimant ID	Request Week	Prior Payment Issue Date	Routing Number	Bank Account Number	Email Domain	IP Address	Claim Submitted	Login Time	Minutes in System	Initial Job Title	
<input type="checkbox"/>	201401	411	01/25/2015	02/05/2015			gmail.com	172.56	10/01/2014 00:23	02/04/2015 08:18	6	Customer Service Rep...	09
<input type="checkbox"/>	201501	243			266	019	gmail.com	73.204	03/03/2015 13:03	03/03/2015 13:06	26	Customer Service Rep...	59
<input type="checkbox"/>	201501	430			031	510854	yahoo.com	96.58	03/03/2015 15:32	03/03/2015 15:22	16	Mechanical Engineers	18
<input type="checkbox"/>	201401	335	02/01/2015	02/13/2015	063	664562	hotmail.com	166.17	10/09/2014 17:57	02/12/2015 12:08	29	Dispatchers, Except P...	59
<input type="checkbox"/>	201001	156	05/09/2010	05/05/2010	063	018019		50.162	02/25/2010 23:00	03/03/2015 11:13	18		31
<input type="checkbox"/>	201501	429	02/22/2015		063	81536		73.46	02/17/2015 13:08	03/03/2015 20:01	4	Installation, Maintena...	76
<input type="checkbox"/>	201501	428	02/22/2015		063	153	yahoo.com	184.88	02/17/2015 12:31	03/03/2015 09:08	31	Customer Service Rep...	27
<input type="checkbox"/>	200901	256	08/16/2009		267	117	yahoo.com	64.134	08/11/2009 00:00	03/03/2015 15:37	6		59
<input type="checkbox"/>	201501	574			063	48548	aol.com	69.137	03/04/2015 10:56	03/04/2015 09:54	63	First-Line Supervisors/...	02
<input type="checkbox"/>	201501	415			263	454601	custominstallers...	72.188	03/04/2015 09:51	03/04/2015 09:22	29	Construction Managers	11
<input type="checkbox"/>	201501	436					gmail.com	107.13	03/04/2015 17:59	03/04/2015 17:09	50	Electric Motor, Power ...	11
<input type="checkbox"/>	201501	419			063	471	yahoo.com	173.65	03/04/2015 10:31	03/04/2015 10:20	11	Financial Analysts	11
<input type="checkbox"/>	201401	409	01/25/2015	02/13/2015	263		gmail.com	172.56	09/19/2014 14:50	02/12/2015 09:09	17	Customer Service Rep...	26
<input type="checkbox"/>	201501	381			063	68801	aol.com	162.21	03/04/2015 07:21	03/04/2015 05:55	86	Marriage and Family T...	10
<input type="checkbox"/>	201401	268	01/11/2015	02/07/2015	063	720	yahoo.com	172.56	10/07/2014 09:52	02/03/2015 23:38	16	Cashiers	59
<input type="checkbox"/>	201501	206			267	45	yahoo.com	67.23	03/04/2015 09:26	03/04/2015 08:32	55	Office and Administrat...	06
<input type="checkbox"/>	201501	553			063	998573	hotmail.com	108.69	03/04/2015 20:04	03/04/2015 19:43	21	Purchasing Agents an...	14
<input type="checkbox"/>	201501	885					aol.com	107.20	03/04/2015 07:37	03/04/2015 07:13	24	Retail Salespersons	03
<input type="checkbox"/>	201501	417			267	49797758	yahoo.com	75.74	03/04/2015 22:29	03/04/2015 21:42	48	Dining Room and Cafe...	11
<input type="checkbox"/>	201501	326					gmail.com	67.23	03/04/2015 09:11	03/04/2015 08:41	31	Sales Representatives...	09

Start your search... Search Reset

+ Advanced Search

- Facets
- IP\_ADDRESS
- 74.113 (1222)
  - 67.23 (1206)
  - 66.19 (1009)
  - 164.51 (823)
  - 97.76 (729)
  - 24.73 (654)

See Details Flag For Verification Flag For Investigation Reorder/Hide Columns

	Claim ID	Claimant ID	Request Week	Prior Payment Issue Date	Routing Number	Bank Account Number	Email Domain	IP Address	Claim Submitted	Login Time	Min
<input type="checkbox"/>	201401	411	01/25/2015	02/05/2015			gmail.com	172.56	10/01/2014 00:23	02/04/2015 08:18	6
<input type="checkbox"/>	201501	243			266	19	gmail.com	73.204	03/03/2015 13:03	03/03/2015 13:06	26
<input type="checkbox"/>	201501	430			031	10854	yahoo.com	96.58	03/03/2015 15:32	03/03/2015 15:22	16
<input type="checkbox"/>	201401	335	02/01/2015	02/13/2015	063	64562	hotmail.com	166.17	10/09/2014 17:57	02/12/2015 12:08	29
<input type="checkbox"/>	201001	156	05/09/2010	05/05/2010	063	18019		50.162	02/25/2010 23:00	03/03/2015 11:13	18
<input type="checkbox"/>	201501	429	02/22/2015		063	1536		73.46	02/17/2015 13:08	03/03/2015 20:01	4
<input type="checkbox"/>	201501	428	02/22/2015		063	53	yahoo.com	184.88	02/17/2015 12:31	03/03/2015 09:08	31
<input type="checkbox"/>	200901	256	08/16/2009		267	17	yahoo.com	64.134	08/11/2009 00:00	03/03/2015 15:37	6
<input type="checkbox"/>	201501	574			063	8548	aol.com	69.137	03/04/2015 10:56	03/04/2015 09:54	63
<input type="checkbox"/>	201501	415			263	54601	custominstallers...	72.188	03/04/2015 09:51	03/04/2015 09:22	29
<input type="checkbox"/>	201501	436					gmail.com	107.13	03/04/2015 17:59	03/04/2015 17:09	50
<input type="checkbox"/>	201501	419			063	71	yahoo.com	173.65	03/04/2015 10:31	03/04/2015 10:20	11
<input type="checkbox"/>	201401	409	01/25/2015	02/13/2015	263		gmail.com	172.56	09/19/2014 14:50	02/12/2015 09:09	17
<input type="checkbox"/>	201501	381			063	8801	aol.com	162.21	03/04/2015 07:21	03/04/2015 05:55	86
<input type="checkbox"/>	201401	268	01/11/2015	02/07/2015	063	20	yahoo.com	172.56	10/07/2014 09:52	02/03/2015 23:38	16
<input type="checkbox"/>	201501	206			267	5	yahoo.com	67.23	03/04/2015 09:26	03/04/2015 08:32	55
<input type="checkbox"/>	201501	553			063	98573	hotmail.com	108.69	03/04/2015 20:04	03/04/2015 19:43	21
<input type="checkbox"/>	201501	885					aol.com	107.20	03/04/2015 07:37	03/04/2015 07:13	24
<input type="checkbox"/>	201501	417			267	9797758	yahoo.com	75.74	03/04/2015 22:29	03/04/2015 21:42	48
<input type="checkbox"/>	201501	326					gmail.com	67.23	03/04/2015 09:11	03/04/2015 08:41	31

SearchReset

Advanced Search

Use \* as a wildcard for partial matches. Cannot be first character.

See Details Flag For Verification Flag For Investigation Reorder/Hide Columns

	Claim ID	Claimant ID	Request Week	Prior Payment Issue Date	Routing Number	Bank Account Number	Email Domain	IP Address	Claim Submitted	Login Time	Minutes in System	Initial Job Title	
<input type="checkbox"/>	201401	404	09/14/2014	09/26/2014	0631	2206			08/26/2014 23:11			Cashiers	59
<input type="checkbox"/>	201401	393	07/27/2014	07/29/2014	0631	2206			06/27/2014 13:43			Cashiers	28
<input type="checkbox"/>	201401	404	09/14/2014	09/23/2014	0631	2206			08/24/2014 19:43			Cashiers	58
<input type="checkbox"/>	201401	226	09/14/2014	09/25/2014	0631	2206	yopmail.com		08/27/2014 23:04			Cashiers	58
<input type="checkbox"/>	201401	387	08/10/2014	08/08/2014	0631	2206	aol.com		05/27/2014 15:18			Cashiers	59
<input type="checkbox"/>	201401	404	09/14/2014	09/24/2014	0631	2206	yopmail.com		08/25/2014 22:36			Cashiers	59
<input type="checkbox"/>	201401	408	10/19/2014	10/29/2014	0631	2206			09/14/2014 20:36			Cashiers	58
<input type="checkbox"/>	201401	400	09/07/2014	09/18/2014	0631	2206			08/06/2014 21:42			Bus Drivers, School	59
<input type="checkbox"/>	201401	394	09/14/2014	09/25/2014	0631	2206			07/04/2014 18:09			Cashiers	59
<input type="checkbox"/>	201401	385	07/27/2014	08/12/2014	0631	2206			05/18/2014 22:29			Retail Salespersons	58
<input type="checkbox"/>	201401	404	09/14/2014	09/09/2014	0631	2206			08/24/2014 19:26			Cashiers	44
<input type="checkbox"/>	201401	412	10/12/2014	10/29/2014	0631	2206			10/06/2014 22:58			Cashiers	59

Initial Claims

0

28

78

33

139

Continued Claims

0

28

78

33

139

Maintenance Claims

453

0

14

0

467

My Claims

0

Initial Claims Under Investigation								
Reviewer	Claimant ID	Claim ID	Login Time	First Name	Last Name	P-Phone	Employer	Initial Job Title
	993	201501	06-18-2015 09:58AM					Food Preparati...
	993	201501	06-08-2015 02:49PM					Customer Servi...
	996	201501	06-09-2015 12:19PM					Substance Abu...
	100	201501	06-18-2015 10:49AM					Construction C...
	100	201501	06-18-2015 05:18AM					Laborers and F...
	100	201501	06-05-2015 08:12AM					Cooks, All Other
	100	201501	06-13-2015 07:40AM					Combined Food...
	101	201502	06-18-2015 10:44AM					Customer Servi...
	101	201501	06-18-2015 09:55AM					Construction C...
	102	201501	06-11-2015 12:28PM					Cooks, Restaur...
	102	201501	06-10-2015 12:05PM					Teacher Assist...
	102	201501	06-19-2015 09:21AM					Operating Engi...
	102	201501	06-18-2015 09:08AM					Maids and Hou...
	103	201501	06-12-2015 01:03PM					Bus Drivers, Sc...
	104	201501	06-18-2015 12:07PM					Food Servers, ...
	104	201501	06-16-2015 07:20AM					Bus Drivers, Sc...
	104	201501	06-20-2015 08:07PM					Police, Fire, an...
	105	201501	06-16-2015 04:00AM					Bus Drivers, Sc...
	105	201501	06-07-2015 05:17PM					Customer Servi...
	105	201501	06-16-2015 10:36AM					Counter Attend...
	106	201501	06-19-2015 10:41AM					Kindergarten T...
	106	201501	06-08-2015 07:02AM					Graders and So...

Claim Summary

Claim Submitted: 06-18-2015

Claimant ID: 993

Claim ID: 201501

Name:

SSN: 1950

Residential Address:

Mailing Address:

Primary Phone:

Alternate Phone:

Cell Phone:

Email Address:

IP Address: 126.25

Bank Routing #:

Bank Account #:

Minutes In System: 67

Employer Name: CHARTER SCHOOL

Job Title:

Last Day Worked: 06-05-2015

Separation Reason: SCHO

Request Recieved Date:

Request Week Date:

Status

UnlockedDoneFIRRE

Actions

Metric	Value	Today	Week	Month	3 Months	6 Months	Year
IP Address	10.41. [REDACTED]	0	3	6	8	8	8
Email Address		0	0	0	0	0	0
Bank Account Number		0	0	0	0	0	0
Minutes in System	20						

FIRRE Report

IP Already In Use: YES

Search

Claimant

Claimant ID: 229 [REDACTED]	Claim ID: 201501	Claimant Lock Indicator: U	Initial Job Title: Crossing Guards
Claimant SSN: [REDACTED] 2664	Proof of ID Type: DLID	Proof of ID Number: S455 [REDACTED]	Driver License Match: YES
Last Name: [REDACTED]	First Name: [REDACTED]	Middle Initial:	Date of Birth: [REDACTED]
Mailing Address: [REDACTED]	Mailing City: Sunrise	Mailing State: FL	Mailing Zip Code: 333221496
Residential Address: [REDACTED]	Residential City: Sunrise	Residential State: FL	Residential Zip Code: 333221496
Home Number: [REDACTED]	Cell Phone:	Alternate Phone:	Email Address:

Verification-Lexis Nexis

Status

Unlocked

FIRRE

Not Confirmed Fraud

under-investigation

Not Done

Actions

Un-assign Me

Flag For Verification

Flag For Investigation

Select Determination

Clear

Maintenance

Fraud

Close

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## State's fraud crackdown slows unemployment payments



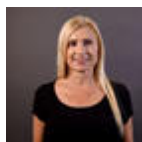
rawford unemployment benefits

my Beth Bennett / Sun Sentinel

ecilia Crawford sits at her Boca Raton home. Crawford, a psychologist who lost her job at a Delray Beach recovery center, is fighting for her unemployment benefits.

ecilia Crawford sits at her Boca Raton home. Crawford, a psychologist who lost her job at a Delray Beach recovery center, is fighting for her unemployment benefits.

my Beth Bennett / Sun Sentinel)



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Unemployed workers wrestle with delayed benefits

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Florida's efforts to crack down on rampant unemployment fraud are delaying payments to people who truly are entitled to them, lawyers and advocates for the unemployed say.

Many people out of work are waiting weeks to receive benefits at a time when they're struggling to keep up with their bills, advocates say.

"When you've seen a grown man cry because he's so worried about not being able to receive his less than \$275 a week, it's heart-breaking," said Gepsie Metellus, executive director of the Sant La Haitian Neighborhood Center in Miami, who said her waiting room is nearly always full of people unable to get their unemployment benefits.

The reason is extra security measures the state implemented last year to deal with increasing numbers of fraudsters trying to game the system.

Jesse Panuccio, executive director of the Florida Department of Economic Opportunity, which oversees the unemployment system, calls fraud a top priority for Florida and a national crisis.

The department caught 70,000 cases of fraud in 2014 and 60,000 from January to mid-September this year, saving taxpayers \$529 million, Panuccio told a Senate committee.

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When you've seen a grown man cry because he's so worried about not being able to receive his less than \$275 a week, it's heart-breaking.

- Gepsie Metellus

That represented 10.7 percent of 653,359 total claims last year and 15.9 percent of 363,125 claims this year, the DEO says.

Federal and state law requires that all unemployment claims be screened. Florida uses a system that cross-matches information with government records, including records from the Department of Motor Vehicles and the Social Security Administration.

All unemployed people who file for unemployment benefits must provide a valid Social Security number and another document, such as a driver's license or U.S. Passport. Those flagged through Florida's online unemployment system as potentially fraudulent are locked out of the system for 72 hours and instructed to call a Tallahassee agency to further prove who they are.

“

DEO seeks to operate the most efficient call centers possible to best serve the public. Many enhancements have been made over the last four years.

- Jesse Panuccio

But the extra security measures — and the difficulty of reaching anyone to clear up problems — are delaying benefits to many unemployed workers, lawyers say.

Liam McGivern, a lawyer at Legal Services of Greater Miami, said he has clients who were locked out of the system with no need to verify identity. He said he called several times on behalf of one client, finally learning that the man had been locked out of the system by mistake — the agency had no additional questions about his identity.

Laurie Yadoff, supervising attorney at Coast to Coast Legal Aid of South Florida in Plantation, said Florida's \$77 million online filing system itself is the first obstacle for the unemployed. If an applicant doesn't initially answer



the security questions correctly, the person can't get back into the system.

"The only way is to call a specific number for assistance to verify your identification. When you call the number, it tells you that there is no one to assist you — try again," she said.

If the caller gets through, the person can get a temporary pin to get back into the system — but that doesn't re-open the person's case so he or she can claim benefits.

Jim Bass of Deerfield Beach applied for benefits in 2014 and was asked: "Where have you not lived with your ex-wife?" Bass, a software engineer, said he thought the question about his ex-wife's address was "absurd."

"I was so offended at that question," said Bass, who had been divorced from her since 1986. "I hadn't been in communication with her for years. How in the world am I supposed to know that?"

Unemployment workers told him: "We're sorry. We can't verify your identity," even though he has lived in the same house since the 1980s. Finally, he was directed to fax a copy of his Social Security card. He didn't have a physical card so he went to the Social Security office to get a temporary one and faxed it to the state as requested.

Weeks went by and he heard nothing, so he called again and was told that no one could verify getting his Social Security document. Bass said he got benefits only after he called his Florida legislator, Rep. George Moraitis Jr., R-Fort Lauderdale.

A recent report by the National Employment Law Project, a group that advocates for the unemployed, labeled Florida's system "virtually inaccessible," with fewer than one in eight unemployed workers receiving jobless benefits — the lowest level in the nation.

"We recognize fraud is an issue and states should be aggressive in combating fraud," said George Wentworth, a lawyer for the group. But he said that detecting fraud has to be balanced with making timely payments to the unemployed.

"Is the net so wide that a lot of honest, unemployed workers are being further hassled and encountering one more obstacle in a system that we've documented has a lot of obstacles?" Wentworth asked.

He said the unemployed who are flagged — who he said may be victims of identity theft themselves — deserve to be cleared and receive benefits in a timely manner. It's unlikely that a thief would continue pursuing benefits if flagged, Wentworth said.

"If you're somebody who has committed identity theft and you get locked out, you're probably going away at that point. You don't want to talk to anybody," he said.

The DEO insists that creating jobs is the best way to help the unemployed. The department touts Florida's economic growth and takes issue with the National Employment Law Project's criticism.

The claim that a small share of people get benefits is misleading because it includes all of the unemployed — even those who are not legally entitled to benefits, the DEO says.

"NELP disagrees with Florida's pro-growth policies and favors more government intervention," the DEO said in a news release Thursday. "To advance its agenda, NELP has leveled a number of misleading claims about Florida's Re-employment Assistance program."

As for problems with the system, the DEO points to the number of people who have succeeded in getting benefits this year: 55,174 in [Broward County](#), 38,908 in [Palm Beach County](#) and 77,946 in Miami-Dade County.

"DEO seeks to operate the most efficient call centers possible to best serve the public. Many enhancements have been made over the last four years, including better self-service options through an automated system," Panuccio said in a statement for the Sun Sentinel.

Spokeswoman Erin Gillespie said the state must make sure its unemployment insurance program "is as fair and efficient as possible. That means paying claims accurately and as timely as possible, and making sure there is not fraud in the system."

In fact, state agencies overseeing unemployment benefits are under a Labor Department directive to make "timely" payments, even if an issue arises and is being investigated.

When an issue arises with a claim, "it is the duty of the agency to resolve the issue promptly," the department says. The state agency should conduct an investigation and provide the individual an opportunity to be heard before making an official determination, according to directives in 2000 and again on Oct. 1 of this year.

If the state agency cannot make a determination before the date of a timely payment, it must "presume the claimant's continued eligibility until it makes a determination otherwise," the Labor Department said.

Boca Raton resident Cecilia Crawford would say her case has not met that standard.

Crawford, a psychologist who was laid off at a recovery center in Delray Beach, got locked out of the benefits system and doesn't know why. She filed for unemployment Aug. 20 and has not yet received a benefit payment.

When she finally reached someone at Florida's unemployment system weeks later, she was told her case was being checked for out-of-state wages. She said all of her wages were local, not out of state.

"That would it would be a strange thing for me to make an error on," Crawford said.

Because she has not received unemployment payments, Crawford, 65, said she had to file earlier than she wanted for her Social Security benefit, accepting a reduced payment. She's also looking for a roommate to trim her rent costs. Usually she lends financial support to her 28-year-old disabled son, but she doesn't know how to do that at the moment.

"He had to turn off his cable, which a big deal when you live alone," she said. And if she doesn't get unemployment, she'll have to decide between paying next month's rent or her car insurance, due in November.

"I'm down to the wire," Crawford said.

[mpounds@tribpub.com](mailto:mpounds@tribpub.com) or 561-243-6650

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