UI Data Validation Technical Clinic II

Benefits Part 2

December 19, 2019

DOL UI Data Validation Training Initiative

First Benefits Clinic: 12/4/19

Second clinic covering UI benefits DV Overpayments and topics raised by states: 12/19/19

Tax clinic: late January, 2020

State-specific virtual clinics: February – March 2020

New training materials: Spring – Summer 2020

On-site technical assistance: Spring – Summer 2020
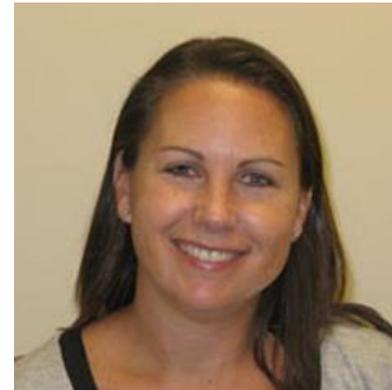
Mathematica Team

Jonah Deutsch
Project Manager

William Borden
Subject Matter Expert

Jonathan Ladinsky
Subject Matter Expert

Matt Potts
Systems Analyst

Robbi Ruben-Urm
Instructional Designer

MATHEMATICA

Overview of Presentation

Overpayments (populations 12 – 15)

Module 4

Diagnosing file errors

Address state questions

Questions received

New questions

Population 12, Overpayments Established by Cause: Overview

GPRA performance measure: Detection of Recoverable Overpayments

Includes overpayments for EB claims

DEV requires review of the overpayment determination to validate that the type, cause, date and amounts of the overpayment meet federal definitions – not just confirming that the data on the file match the OP history screen

Does your state DV validator or coordinator have access to all overpayment information, including the BPC database?

Population 12: DV Results

Out of 52 states:

17 states failed overall

13 failed at least one group in Population 12

4 did not submit required validation results

	Number of Failing States (out of 13)
Data element validation: 1 random sample	
Overpayments established 200/60 sample size	6
Report validation: 8 validation report groups	
Fraud Total (Counts)	6
Non-Fraud Total (Counts)	5
Total Dollars Established	8
Penalty Dollars Total (Dollars)	0
High Dollar Fraud Total (Counts)	2
High Dollar Non-Fraud Total (Counts)	3
High Dollar Fraud Total (Dollars)	2
High Dollar Non-Fraud Total (Dollars)	3

Population 12: Building the Extract File

Column Definitions

SSN

Unique ID: Some states maintain a unique ID to track multiple overpayments established for the same benefit year

For DEV, validators use the unique ID to correctly identify the sampled overpayments

Program Type: same rules as all other populations

Step 33: Type of overpayment– fraud, non-fraud, penalty

Cause of overpayment: Single Claimant, Multi Claimant Schemes, Agency Employee Benefit, Reversals, State Agency Errors, Employer Errors, Claimant Errors, Other

Date Established: Date for which a formal notice of determination is issued

UI/Federal/EB Amount: For joint claims states need to allocate the federal dollars

UI/Federal/EB Accumulated Amount: Prior quarters used to high dollar overpayments

Date of Original Monetary

Population 12: Duplicate Detection Criteria

The software rejects duplicate records when 2 or more records have the same:

- SSN
- Date Established
- Unique ID

Some states maintain unique IDs to separately identify multiple overpayments that can occur for a single benefit year

These unique IDs can be used to identify duplicates

Multiple overpayments for a single SSN established in the same quarter for multiple benefit years are not duplicates

Population 12: Causes of Overpayments

9 causes of overpayment can be categorized as fraud or non-fraud

Fraud overpayment: overpayments where material facts are knowingly misrepresented or concealed

- Single-claimant – An overpayment due to a claimant knowingly misrepresenting or concealing facts used to determine or pay claims
- Multi-claimant scheme – Any scheme where an individual or group of individuals who are not UI agency staff collects benefits by fraudulently establishing multiple claims.
- Agency employee benefit fraud – fraudulent activity performed by agency personnel.

Non-fraud overpayments: Overpayments that the state agency determines are not due to willful misrepresentation.

- Reversal (JAVA) – Overpayments that result from redeterminations or appeal decisions for benefits that were paid.
- State agency errors – state workforce agency actions or omissions cause payments that are either more than the claimant is entitled to or for non-compensable weeks
- Employer errors – errors attributable to employers
- Claimant errors – errors attributable to claimants that the state determined not to involve fraud
- Other – non-fraud overpayment not due to appeals reversal or errors made by state agency, employer, or claimant

Penalty: reductions or loss of current payments due to fraud committed in prior weeks.

MATHEMATICA

Reporting Overpayment Dates and Dollars

Date overpayment established

Date when notice of determination of an overpayment has been issued

A notice covering one or more weeks within a single quarter is one overpayment

An overpayment covering two calendar quarters is reported in the quarter of the notice of determination

Allocating dollars for overpayments for Joint Claims

If overpayment is for a claim that uses both state and federal wages, report:

- Only include the overpayment in the state UI count
- Distribute dollar amounts across appropriate program type based on proportion of base period wages
- For overpayments for EB claims, the dollars are included in the EB column

Example of Overpayment Cancelled During Quarter

OP #	Trans Date	Program Type	Trans Type	OP Amount	Principal Balance	Accrued Interest	Total Balance
1	8/1/2019	UI	Established	$1000	$1000	$0	$1000
2	8/2/2019	UI	Cancelled	-$1000	$0	$0	$0

Overpayment was established and cancelled during the quarter

This overpayment is not reported on the 227

Example of Overpayment Amount Adjusted During Quarter

OP #	Trans Date	Program Type	Trans Type	OP Amount	Principal Balance	Accrued Interest	Total Balance
1	8/1/2019	UI	Established	$1000	$1000	$0	$1000
2	9/20/2019	UI	Appeal Reversal	-$400	$600	$0	$600

This is view of the data in the system prior to being extracted

Overpayment was partially reversed by appeal in September, 2019

Report the adjusted net overpayment established during the Q of $600 in Section A of the 227

Include a record for overpayment established for $600 in Population 12.

Example of Overpayment Adjusted After Quarter Ends

OP #	Trans Date	Program Type	Trans Type	OP Amount	Principal Balance	Accrued Interest	Total Balance
1	8/1/2019	UI	Established	$1000	$1000	$0	$1000
2	11/10/2019	UI	Appeal Reversal	-$400	$600	$0	$600

This is view of the data in the system prior to being extracted

Overpayment was partially reversed by appeal in November, 2019

Nothing is reported in Section A of the 227 or population 12 in this quarter.

A "subtraction" reconciliation activity is reported on the ETA 227C, line 311.

Because the adjustment amount is subtracted from the overpayments balances it is extracted and loaded into the DV software as a positive $400 for population 13.

High Dollar Overpayments

High dollar overpayments count the number of times that a claimant has accumulated more than $25,000 in overpayments during a benefit year

If high dollar overpayment established during a quarter, claimant must have an additional $25,001 in subsequent overpayments in that benefit year to count as a second high dollar overpayment

Count a new high dollar overpayment in the quarter in which the total amount of overpayments established for the benefit year exceeds $25,000

If overpayment determination includes weeks for two benefit years, include all amounts in high dollar overpayment calculation and report for current benefit year

High dollar overpayments are calculated for each program type

High Dollar Overpayments – Scenario #1

OBS	SSN	Unique ID	Program Type	Type of Overpayment	Cause of Overpayment	Date Established	UI Amount	Federal Amount	EB Amount	Accumulated UI Amount	Accumulated Federal Amount	Accumulated EB Amount	Date of Original Monetary
1	123456789	1	UI	Fraud	Single Claimant	Q1	2500	0	0	0	0	0	Q1
2	123456789	2	UI	Fraud	Single Claimant	Q2	0	0	0	2500	0	0	Q1
3	123456789	3	UI	Fraud	Single Claimant	Q3	23500	0	0	2500	0	0	Q1
4	123456789	4	UI	Fraud	Single Claimant	Q4	5000	0	0	0	0	0	Q1

ETA 227 Quarter 3

SECTION A. OVERPAYMENTS ESTABLISHED - CAUSES

Cause	Line No.	Number of Cases			Dollar Amounts		
		UI (2)	UCFE/UCX (3)	EB (20)	UI (4)	UCFE/UCX (5)	EB (21)
Fraud – Total	102	1	0	0	5000	0	0
Nonfraud – Total	103	0	0	0	0	0	0
High Dollar Fraud Overpayments	112	0	0	0	0	0	0
High Dollar Nonfraud Over Payments	113	0	0	0	0	0	0

High Dollar Overpayments – Scenario #2

OBS	SSN	Unique ID	Program Type	Type of Overpayment	Cause of Overpayment	Date Established	UI Amount	Federal Amount	EB Amount	Accumulated UI Amount	Accumulated Federal Amount	Accumulated EB Amount	Date of Original Monetary
1	123456789	1	UI	Fraud	Single Claimant	Q1	0	2500	0	0	0	0	Q1
2	123456789	2	UI	Fraud	Single Claimant	Q2	0	0	0	0	2500	0	Q1
3	123456789	3	UI	Nonfraud	Single Claimant	Q2	500	0	0	0	0	0	Q1
4	123456789	4	UI	Nonfraud	Single Claimant	Q3	0	0	0	500	0	0	Q1
5	123456789	4	UI	Fraud	Single Claimant	Q3	23500	0	0	0	0	0	Q1
6	123456789	5	UI	Fraud	Single Claimant	Q4	5000	0	0	23500	0	0	Q1
7	123456789	6	UI	Penalty	Single Claimant	Q4	500	0	0	0	0	0	Q1

ETA 227 Quarter 4

SECTION A. OVERPAYMENTS ESTABLISHED – CAUSES

Cause	Line No.	Number of Cases			Dollar Amounts		
		UI (2)	UCFE/UCX (3)	EB (20)	UI (4)	UCFE/UCX (5)	EB (21)
Fraud – Total	102	1	0	0	5000	0	0
Nonfraud – Total	103	0	0	0	0	0	0
High Dollar Fraud Overpayments	112	1	0	0	28500	0	0
High Dollar Nonfraud Over Payments	113	0	0	0	500	0	0

Questions on Population 12?

Population 13: Overpayment Reconciliation Activities: Overview

ETA 227 Section C – Recovery/Reconciliation

Recoveries, waivers, and write-offs

- Fraud and non-fraud
- UI, UCFE/UCX, and EB

Population 13 reports on transactions that reduce or increase overpayment balances

These reconciliation activities account for the change in overpayment balances between quarters.

All amounts are converted to positive values even if they are negative in the DB.

Population 13: DV Results

Out of 52 states:
- 19 states failed overall
- 13 failed at least one group in Population 13
- 6 did not submit required validation results

	Number of Failing States (out of 13 that failed Population 13)
Data element validation: 1 random sample	
Overpayment Reconciliation Activities (30/100)	4
Report validation: 5 validation report groups	
227 Recovered($) Total	8
227 Waived($) Total	5
227 Written-Off($) Total	5
227 Addition($) Total	11
227 Subtraction($) Total	8

Population 13: Building the Extract File

Column definitions

SSN

Unique ID

Program Type

Type of Overpayment: Fraud/Non-fraud

Type of Reconciliation Activity

- Cash/Benefit Offset/State Income Tax Offset/By Other State/Other/ Write-off/Addition/Subtraction/Benefit Offset are activities for both fraud and non-fraud overpayments
- Waived overpayments can only occur if the type of overpayment is non-fraud

Date of Reconciliation Activity: Required

UI Reconciliation Amount: Blank, 0, or greater than 0

Federal Reconciliation Amount: Blank, 0, or greater than 0

EB Reconciliation Amount: Blank, 0, or greater than 0

Population 13: Duplicate Detection Criteria

The software rejects duplicate records when 2 or more records have the same:

SSN

Unique ID

Activity Type

Date of Activity

ETA 227 as an Accounting Record

Total overpayment balance at beginning of current Q, Section C line 301, derived from Section E line 507 from prior Q's 227 ($10M)

PLUS

Newly established overpayment amounts in Q, Section A line 110 ($200K)

MINUS

Changes to overpayment balances during Q, Section C line 302 ($300K)

EQUALS

Total overpayment balances at end of current Q, Section E line 507 ($9.9M)

Reporting Reconciliation Activities

States must maintain a transaction history file to separately identify dates and amounts for each payment, offset, write-off, addition and subtraction, and waiver transaction

Offset transactions tracked by payment history files; payments by claimants are tracked by ledger system

Each transaction must be linked to a specific overpayment to enable reporting of: fraud, non-fraud, UI, UCFE/UCX, and EB

Allocate dollars for reconciliation activities for Joint Claims to UI and federal amounts

Write-Offs and Waivers

Write-offs

Examples include

- After the statute of limitations expires
- Bankruptcy has been approved by a court
- Claimant has died

Waivers

Only used for non-fraud overpayments where state relinquishes the claimant's obligation to repay based on state law

Additions and Subtractions

Additions

Administrative adjustments of overpayments already reported on the ETA 227 through redeterminations or appeals decisions that increase the amount of overpayments previously reported

Dollars recovered for overpayments removed from the ETA 227 section C in prior periods are reported as additions

Subtractions

Administrative adjustments of overpayments already reported on the ETA 227 through redeterminations or appeals decisions that decrease the amount of overpayments previously reported

If states don't have detailed transaction history files with dates and dollars for administrative adjustments linked to specific overpayments it will be difficult for programmers to extract addition and subtraction transaction records to validate section C of the 227

Federal versus State Record of Overpayment Activities

227 report represents Federal view of State overpayment transactions and will differ from official state records

227 Section A captures net overpayment balance established during a quarter

Once the balance is reported in Section A it can only be adjusted through Section C

Aged overpayments are removed from Federal accounting records but not from state system

If a payment is made against an overpayment removed from Federal accounting records, the payment is reported both as a payment and an addition to the overpayment balance

Reporting an Adjustment to Overpayment Established in a Prior Quarter

OP #	Trans Date	Program Type	OP Type	Trans Type	OP Amount	Principal Balance	Accrued Interest	Total Balance
1	8/1/2019	UI	NF	Established	$1000	$1000	$0	$1000
2	11/10/2019	UI	NF	Appeal Reversal	$-400	$600	$0	$600

Appeal Decision on 11/1 in favor of the claimant creates a $-400 adjustment to the overpayment established on 8/1

Adjustment is reported as a subtraction on 227 Section C, 310 (13, 14)

A subtraction record is included in Subpopulation 13.25 (UI, Nonfraud Subtraction)

Despite the $400 likely stored as a negative value in the database, the dollar value of the subtraction is converted to a positive value of $400 in population 13, since this value is added from the total amount recovered on 227 Section C, line 302.

Converting the Appeal Reversal to a Subtraction Record

Population 13.25						
SSN	ID	Program Type	Type of OP	Type of Reconc. Activity	Date of Activity	UI Amount
556622123	2	UI	Nonfraud	Subtraction	11/10/2019	$400

Programmer extracts record of appeal reversal from prior example and modifies it to match population 13 record layout

This subtraction is imported into Subpopulation 13.25 (UI, Nonfraud Subtraction) and reported on 227 Section C, 310 (13, 14)

Reporting an Addition After Overpayment Balance has been Removed

Removal of overpayment balances from federal accounting is validated in Population 14

The amounts removed are reported in 227 Section C

When a claimant makes any type of payment (including offsets, intercepts, etc.), after the balance has been removed the payment is reported twice in Section C

> **once as a payment**

> **again as an addition**

Addition After the Quarter Ends

OP #	Determ Date	Program Type	OP Type	Trans Type	OP Amount	Principal Balance	Accrued Interest	Total Balance
1	8/1/2019	UI	NF	Established	$1000	$1000	$0	$1000
2	11/1/2019	UI	NF	Addition	$800	$1800	$0	$1800

Appeal decision in favor of the employer denies an additional 4 weeks for an existing overpayment which results in an adjustment of $800 to the overpayment balance

This addition is imported into Subpopulation 13.24 (UI, Nonfraud, Addition) and reported on 227 Section C, 310 (13)

Treasury Offset Program (TOPS)

TOPS collects debts owed to federal and stage agencies by taking money from federal tax refunds, paychecks, or federal benefits to pay these debts.

Federal income tax offsets use federal income tax refunds from a claimant to repay benefit overpayments owed to states

Federal offset amounts are reported on 227 Section C, 314, but are not included in the population 13 validation file for privacy reasons. If this causes the state to fail Report Validation, DOL will review and convert the outcome to Pass.

Questions on Population 13?

Population 14: Age of Overpayment Balances: Overview

Validates 227 Section E, aging of benefit overpayment amounts and 227 Section C, line 312 receivables removed at end of period

Subpopulations 14.1–14.12 and 14.19–14.24 contain records for UI, federal and EB overpayment balances greater than 0 at the end of the report quarter

The software sorts the balances by age from the last day of the report quarter to the date overpayment established to match the categories in section E

Subpopulations 14.13–14.18 contain records for UI, federal and EB overpayment receivables removed at the end of the period

Population 14: DV Results

Out of 52 states:

19 states failed overall

13 failed at least one group in Population 14

6 did not submit required validation results

	Number of Failing States (out of 13 that failed population 14)
Data Element Validation – 1 Random Sample	
Aged Overpayment (30/100)	7
Report Validation – 4 validation report groups	
227 UI Total Accounts Receivable ($)	10
227 UCFE/UCX Total Accounts Receivable ($)	9
227 Total Receivable Removed at End of Period($)	11
227 EB Total Accounts Receivable ($)	5

Building the Extract File

Programmers extract all overpayment balances at the end of the quarter with:

Date established

Active collection status

Program type

Type of overpayment

UI, federal, and EB balances—for joint claims, allocate federal dollars based on base period wages

Federal software assigns overpayment balances to subpopulations based on age and active collection status to validate counts on ETA 227 section E

Duplicate Detection Criteria

SSN, Unique ID

Extracting Overpayment Balance Records – 227 Report for 3rd Quarter 2019

OP #	SSN	Unique ID	Trans Date	Pgm Type	Trans Type	OP Type	OP Amt	Balance
1	11226654	R53	8/1/2017	UI	Estab	NF	$1000	$1000

This is the view of an overpayment balance on a state system as of midnight September 30th

Programmer extracts this record for Population 14 file

File Containing all Overpayment Balance Records on 9/30/19

OP #	SSN	Unique ID	Trans Date	Program Type	Trans Type	OP Type	OP Amount	Active Collec-tion
1	2223344		3/5/2017	UI	Estab	Nonfraud	$500	Y
2	3334455s		4/15/2017	UI	Estab	Nonfraud	$200	Y
3	**11226654**		**8/1/2017**	**UI**	**Estab**	**Nonfraud**	**$1000**	N
4	22445556		8/15/2017	UI	Estab	Nonfraud	$500	N
5	111225897		6/5/2018	UI	Estab	Nonfraud	$600	
6	88899154		8/1/2018	UI	Estab	Nonfraud	$700	

Removing Aged Overpayment Balances

Based on age and recovery status

More realistic accounting of amount of overpayments likely to be collected

Does not impact how states maintain overpayment balances on their systems

Section C reports the amount to be removed from overpayment balances for each quarter because they are:

Reported for 8 quarters

Not in active recovery status

An overpayment is in active collection if the collection/recovery process is still underway at the end of the quarter

Validated in Population 14 because records are overpayment balances and not reconciliation transactions

Does your state have a new BPC system in the last few years? If so, was all of the data migrated to the new system or do you have to go to the old system to report and validate removal of old overpayment balances?

Mathematica

Calculating Overpayment Balances Removed at the End of the Quarter

DV software automatically assigns balances more than 730 days old - not in active collection - to Subpopulations 14.6, 14.12, 14.24, and 14.13–14.18

Programmers must insert Y or N in active collection column for all overpayments older than 450 days

If overpayment more than 730 days old at the end of the quarter - active collection is N - the software assigns the overpayment balance to 14.13–14.18.

Validates amounts removed on ETA 227 section C, row 312, columns 11–14, 22, and 23

If there is a Y, the software will assign it to subpopulations 14.6, 14.12, and 14.24, overpayment balances greater than 450 days and not being removed

Number of Quarters Reported on the 227

Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
	1	2	3	4	5	6	7	8	9
Overripe	Ripe	Not Ripe	Not Ripe	Not Ripe	Not Ripe	Not Ripe	Not Ripe	Not Ripe	Not Ripe

Q3 2019 227 Report

Remove in Q3 of 2019 if it has been on the report for 8 quarters

Overpayments established during Q3 of 2017 are removed unless they are in active collection

Overpayments established in Q2 of 2017 or earlier are removed in Q3 2019 if active collection is dropped in Q2 2019

File Containing all Overpayment Balance Records on 9/30/19

OP #	SSN	Unique ID	Trans Date	Program Type	Trans Type	OP Type	OP Amount	Active Colle-ction	# Qs on Report
1	2223344	1a	3/5/2017	UI	Estab	Nonfraud	$500	Y	>8 Qs
2	3334455s	1b	4/15/2017	UI	Estab	Nonfraud	$200	Y	>8 Qs
3	**11226654**	**1c**	**8/1/2017**	**UI**	**Estab**	**Nonfraud**	**$1000**	N	8 Qs
4	22445556	1d	8/15/2017	UI	Estab	Nonfraud	$500	N	8 Qs
5	111225897	1e	6/5/2018	UI	Estab	Nonfraud	$600		4 Qs
6	88899154	1f	8/1/2018	UI	Estab	Nonfraud	$700		3 Qs

Overpayment Balances Where Active Collection Has Been Dropped

For overpayment balances more than 730 days not removed in a prior quarter because of active collection, and no longer in active collection, programmers must insert a D in active collection column

- DV software calculates the age and removes overpayments in the quarter in which they reach 730 days

- If overpayments more than 730 days were not removed because they were in active collection in a prior quarter, the software will assume they were removed if an N appears in active collection

- The D indicates to the software that active collection was dropped in this quarter, and overpayments should be removed

- In subsequent quarters, the programmer should insert an N in active collection so the software skips the record

The software assigns records with an active collection of D in groups 14.13–14.18

File Containing all Overpayment Balance Records on 12/30/19

OP #	SSN	Unique ID	Trans Date	Program Type	Trans Type	OP Type	OP Amount	Active Collection
1	2223344		3/5/2017	UI	Estab	Nonfraud	$500	D
2	3334455		4/15/2017	UI	Estab	Nonfraud	$200	Y
3	11226654		8/1/2017	UI	Estab	Nonfraud	$1000	N
4	22445556		8/15/2017	UI	Estab	Nonfraud	$500	N
5	111225897		6/5/2018	UI	Estab	Nonfraud	$600	
6	88899154		8/1/2018	UI	Estab	Nonfraud	$700	

Pop 14 Pop Quiz

#1: What kind of record do you need to create when a payment is received for an overpayment that has been removed from the 227 report?

#2: How many quarters does an overpayment have to be reported on the 227 report before it is removed, assuming it is not in active collection?

Questions on Population 14?

Population 15: Overpayments Established by Method: Overview

Records for Population 15 are the same as for Population 12

Difference is that in Population 12, overpayments are sorted by cause, and Population 15 overpayments are sorted by method of detection

Building the Extract File

SSN, Unique ID, Type of Overpayment, Detection Method, Date Established, Amount, Overpayment Established by Investigation

Duplicate Detection Criteria

SSN, Date Established, Unique ID

Key Issues

Do not include revisions to overpayment amounts in subsequent quarters

Population 15: DV Results

Out of 52 states:

16 states failed overall

10 failed at least one group in Population 15

6 did not submit required validation results

	Number of Failing States (out of 10 that failed Population 15)
Data element validation: 1 random sample	
Overpayments $ Established by Method (60/200)	6
Report validation: 3 validation report groups	
227 Overpayment Cases Investigated Total	9
227 Overpayment Cases Established Total	7
227 Dollars Established Total($)	5

Population 15: Overpayment Detection Activities

Wage/Benefit Crossmatch using state wage records

IB Crossmatch using the interstate crossmatch and claimant locator to match claimants against wage and benefit files in agent/resident state

State Directory/National Directory of New Hires crossmatches against the UI benefit payment records

Multi-Claimant Scheme Systems – proactive, systematic detection activity using profiles to identify fictitious employers or claimants (e.g. FEDS)

Special Project – special detection methods/projects using new methods or technologies

Other Controllable – other actions, not included above, that the state agency uses to detect overpayments

Noncontrollable – all detection activities that were not initiated by the state agency did (e.g. tips or employer protests of benefit charges)

Questions about your State's Overpayment Detection Activities

What are your state's most effective overpayment detection activities, and how often do you cross-match claimants against the National Directory of New Hires?

Questions on Overpayments?

Module 4: Quality Sample Validation Overview

Assess the Benefits Timeliness and Quality (BTQ) non-monetary determinations and lower authority appeals samples

Validates non-monetary determinations from the ETA 9052 report

Validates the lower authority appeals form the ETA 9054L report

Reviews the sample for a previous quarter in the reporting period between April 1st of the prior year and March 31st of the current year.

Quality sample validation assess the sample size, sample selection, and sample universe

Two key differences between the non-monetary determinations and lower authority appeals samples

Non-monetary determinations QSV validates two samples—one for separations and one for non-separations

Non-monetary determination QSV has larger samples

Module 4: Validating the Sample Size

Two steps to validate sample size

Step 1: Verify the reporting period is accurate

Step 2: Validate the sample size

Step 1: Verify that all transactions from which the sample is drawn are within the reporting period

Step 2: Validate sample size given the total number of records

Non-monetary Determination Sample Size

100 (50 separations and 50 non-separations) for states that have 100,000 or more non-monetary determinations

60 (30 separations and 30 non-separations) for states that have fewer than 100,000 non-monetary determinations

Lower authority appeals sample size

40 appeals if the stated reported 40,000 or more lower authority appeals

20 appeals if the state reported fewer than 40,000 lower authority appeals

Module 4: Validating the Sample Selection Was Random: Three Sample Types

Systematic random sampling

Calculate sampling interval: k = number of records in the universe (P)/number of records to sample (n)

Calculate where to start the sampling (i = sampling interval * random number)

Select records identified by the formula i + kn

If the last case to be selected is larger than the number of records, select record (i + jk) – P

Balanced systematic selection draws both non-monetary samples at one time

Differs from the systematic sample in two ways

Sort records by issue type (separation and non-separations)

Sampling is done in pairs

Sampling utility provides an automated approach to selecting records

Utility must be approved by the National Office to ensure that it draws a non-biased sample.

Module 4: Validating the Sample Selection Was Random: How to Validate

Systematic random sample

Obtain universe file

Calculate sample interval, starting point, and records selected and compare to actual results

Sampling utility

Determine approach to randomization

Assess the file to confirm that its randomly ordered

Balanced systematic sample validation should use the steps in ETA 301 Handbook, Appendix A to confirm the sample was correctly drawn

Module 4: Validating the Sample Universe

Perform after ETA 9052/9054L counts are available

Ensure sampling universe records are within the correct time period

Non-monetary determinations: Pass population 5 (+/- 2%)

Lower authority appeals: Pass population 8 (+/- 2%)

Module 4: What's next?

Submit results through the Sun system

If state passes sample validation, next validation in 3 years

If state fails sample validation, validate sample in the next validation year

Questions on Module 4?

Researching and Correcting DV Software Error Messages

Examples of Records Rejected by DV Software

The following examples are situations where states have had records rejected for various conditions by the DV software.

DV Error Messages – Example 1, Population 1

Syntax error message appears

Data in extract file:

SSN = "9991234567"

Possible resolution:

Remove extra digit from value and replace with correct SSN value

DV Error Messages – Example 2, Population 2

Syntax error message appears

Data in extract file:

WBA = "$200.00"

Possible resolution:

Remove symbol from value to have only "200.00"

DV Error Messages – Example 3, Population 3

Error message: "Record does not fulfill any sub-population criteria."

Data in extract file:

Type of Claim = "Transitional"

Intrastate/Interstate = "CWC Interstate"

Sufficient/Insufficient/Combined Wages = "Sufficient New CWC BY"

Possible resolutions:

The claim is either Transitional or CWC. Two columns suggest it is CWC, but the Type of Claim is labeled Transitional.

Programmer should research the claim history by SSN and determine which is correct. If you determine that is a CWC claim, change Type of Claim to "CWC New." The record would then be assigned to subpopulation 3.37.

If "Transitional" is correct, providing a value in Intrastate/Interstate is optional and change the value in Sufficient/Insufficient/Combined Wages to "Sufficient New BY." The record would then be assigned to one of subpopulations 3.26—3.29.

DV Error Messages – Example 4, Population 4

Error message: "Record does not fulfill any sub-population criteria."

Data in extract file:

Program Type = "UI Only"

Type of Compensation = "Adjustment"

Partial/Total Weeks of Unemployment = "Total"

UI Amount = "-235"

Possible resolution:

The dollar value in UI Amount is negative. There is no such thing as a negative payment. If the state wishes to recoup payments, it is done through an overpayment and the payment validated in population 4 never changes.

If the state has previously paid $235, that payment would not change and this record would have to be removed from the population 4 extract file. If the state had not reported a payment of $235 that was made, then this record should remain in the file and the negative sign should be removed.

DV Error Messages – Example 5, Population 5

Error message: "Record does not fulfill any sub-population criteria."

Data in extract file:

Intrastate/Interstate = "Interstate"

Determination/Redetermination = "Determination"

Type of Determination = "Single"

Issue Types = "Refused Work"

Allow or Deny = "Allow"

Possible resolution:

The text "Refused Work" is not an allowable value for the Issue Types column. Instead, per the Record Layout, Appendix A for population 5, and Module 3 step 18F, the valid value to use in this scenario is "Suitable Work."

DV Error Messages – Example 6, Population 1

Records appear on Duplicate Detection error report

Data in extract file:

Two rows have same values in SSN and Claim Week-Ending Date

Possible resolution:

Remove one of the two duplicated records from the extract file, or check to see if there is an error in the SSN and/or Claim Week-Ending Date values for one of these records.

DV Error Messages – Example 7, Population 8

Records appear on Duplicate Detection error report

Data in extract file:

Two rows have same values in SSN and Docket Number/Unique ID

One row has Decision Date in October, the other in December

Possible resolution:

Two appeals should not be assigned the same Docket Number.

The population 8 file should only contain appeals that were decided in a single month.

Programmers should check with the appeals unit to determine why two appeals were assigned the same Docket Number, and based on these findings and the correct report month, delete the incorrect records.

DV Error Messages – Multiple Errors on One Record

DV software will stop checking for errors in a record after one error has been found in that record.

Therefore, if the record contains multiple errors, and the programmer corrects one error, when the updated file is reloaded, the record will generate additional error messages.

Questions Raised by States During 1st Benefits Clinic

Week is Disallowed in the Same Month that Payment Was Made

If a week is disallowed after the week has been compensated (payment offset, intercept, etc.), the payment is still reportable

The amount paid for the disallowed week is reported as an overpayment

Report all payments unless they are cancelled before the payment is actually made

Appeals Question

Our question is in reference to information in the 401 Handbook (ETA 5130, Section I-5-48, under E. Definitions (2)d). It states a decision by lower or higher appeals that was not previously considered by a lower body would be counted on the 5130. There is also a note under this section that states if a state permits an employer to appeal a decision which did not directly affect the benefit rights of a specific claimant (e.g. appealing a benefit charge by a non-separating employer), such appeal should be excluded from the report. It is this note that is confusing us.

Our state sends a notice of claim to all base period employers and the last employer. All base period employers receive a quarterly statement of charges which can be appealed. If appealed, it results in a lower authority appeal decision that was not previously considered by a lower body. In this situation, can the appeal be counted on the 5130?

Appeals Question Response

So long as the case has no direct effect the claimant's benefits, appeals decisions ruling solely on whether an employer filed a timely protest to a notice of charge or whether the employer should be charged are not reported as "appeals cases" on the 5130. They are excluded via this provision of the ET 401 Handbook, Section 1-5-48, "If state procedure permits recourse to the appeals authorities by employers or employer representatives desiring to appeal a state agency decision which did not directly affect the benefit rights of a specific claimant or claimants (e.g., appealing a benefit charge by a non-separating employer), such appeals should be excluded from this report."

Comparison of State Unemployment Laws 2019 does not list this state as a state that adjudicates every separation (including base period) employers to determine the claimant's qualification for benefits. Thus, these charge cases seem to have no effect on the claimant's benefits.

Question on how to Determine Detection Type

If our fraud department is investigating a potential unreported earnings issue found from an NDNH "hit," and they find an unreported separation issue and refer the separation issue to our regular adjudications unit, then it is reported as an "other controllable" method of detection. If, however, they continue to investigate it themselves along with the potential earnings issue, is it reported as a "National New Hires method of detection?"

Question on how to Determine Detection Type – Response

Two different things:

Potential unreported earnings found with NDNH, then counted in line 210 and column 6

If find separate unreported sep issue and refer to adjudication unit and they investigate, then this second issue is reported as "other" on line 207

I think this goes to one of the basic rules that we use for reporting on the 227, i.e., accounting for each "transaction" separately.

There is no alignment between who completes the investigation and how the investigation is reported. The "issues" would be reported on the 227 the same way whether they are completed by the fraud department or the adjudication unit.

Topics for future discussion

If there are other topics you have questions about or would like us to discuss, please let us know through the chat box, or by emailing us:

- **Rachel Beistel: Beistel.Rachel@dol.gov**

- **Jonathan Ladinsky: JLadinsky@mathematica-mpr.com**

We can address any proposed topics or questions at a future clinic session

We welcome your feedback

Please provide any feedback you may have on today's clinic through the chat box or by email:

- **Rachel Beistel: Beistel.Rachel@dol.gov**

- **Jonathan Ladinsky: JLadinsky@mathematica-mpr.com**