

## UNEMPLOYMENT INSURANCE HIGH-DOLLAR REPORT

As required by Section 3(f) of Executive Order (E.O.) 13520, the U.S. Department of Labor (Department) has identified in the attached report the number of individuals who received high-dollar overpayments of Unemployment Insurance (UI) benefits during the fourth quarter (July to September) of Fiscal Year (FY) 2020.

Office of Management and Budget (OMB) Circular A-123, Appendix C (October 2014), provided guidance for improper payments reporting, specifying the criteria for high-dollar overpayments whereby overpayments to individuals that are at least 50 percent higher than the proper payment and over \$25,000 must be reported. On June 26, 2018, OMB Circular A-123, Appendix C was revised and the requirements for reporting high-dollar overpayments were removed. However, since E.O. 13520 is still in effect and no guidance clarifying this requirement has been issued, the Department will make the report available on the Office of Unemployment Insurance High Dollar Report Web page located at: <https://oui.doleta.gov/unemploy/highdollar.asp>.

In the fourth quarter of FY 2020, state workforce agencies (SWAs) began implementing the new UI programs enacted under the Coronavirus Aid, Relief, and Economic Security (CARES Act) to respond to the economic effects of the Coronavirus Disease 2019 (COVID-19) pandemic. During the past two quarters (i.e. second and third quarters of FY 2020), SWAs struggled to address simultaneous challenges: managing and processing an enormous increased volume of UI claims, implementing and operationalizing new CARES Act programs, and combatting significant fraud perpetrated by organized criminal networks. As SWAs administered these new programs, ETA expected that states will report significant spikes in overpayments, including high-dollar overpayments, concurrent with increased UI claims filing volumes.

State UI agencies' Benefit Payment Control (BPC) units are responsible for identifying and recovering UI overpayments. The number of high-dollar overpayments identified by state BPC operations is reported on the Employment and Training Administration (ETA) 227 - Overpayment Detection and Recovery Activities report. Current reporting instructions for the ETA 227 report, which are included in UI Program Letter No. 8-12, Change 1 (July 27, 2015), define fraud and non-fraud high-dollar overpayments as:

**“...when total overpayments to an individual on a claim exceeds [sic] \$25,000. Overpayments may be a single overpayment or multiple overpayments established during or prior to the reporting quarter...”**

For the fourth quarter of FY 2020, a total of 48 state workforce agencies submitted the ETA 227 report; however, one state workforce agency (Arizona) does not currently report high-dollar data on its ETA 227 report submissions and four state workforce agencies (Alabama, Hawaii, Louisiana, Virgin Islands) did not submit their ETA 227 report.

During this reporting period, SWAs experienced increased fraud and non-fraud overpayments, with four states reporting high-dollar overpayments.

Although the ETA 227 report is due on the first day of the second month following the report period, states frequently send the reports late or submit corrections after the due date. For this reason, the Department allows an additional 60-day grace period after the due date to ensure that the most accurate data is used in calculating high-dollar overpayments.

Based on historical data trends, states at times do not submit a completed ETA 227 report, or fail to report high-dollar data on the ETA 227 reports. For this reason, ETA provides sample counts from the Benefit Accuracy Measurement (BAM) survey. BAM is a statistical survey of paid and denied UI claims that collects information on high-dollar overpayments. State BAM investigators are required to complete 95 percent of their sample cases within 90 days of selection.

Effective with UI Program Letter No. 11-15 (February 26, 2015), states BAM Units must also complete 98 percent of their cases sampled between July 1 and June 30 (the reporting period for UI integrity data published in the Department’s Agency Financial Report) by October 28. Therefore, high-dollar data will be reported according to the following schedule:

Reporting Quarter	BAM Audit Completion Date	High-Dollar Report Submitted By
January - March	June 30	July 31
April - June	September 30	October 31
July - September	December 31	January 31
October - December	March 31	April 30

During the July to September 2020 reporting period, BAM completed audits for 4,626 paid claims. BAM data are available only at the state level of reporting. BAM covers the three largest permanently authorized unemployment compensation programs: State UI, Unemployment Compensation for Federal Employees (UCFE), and Unemployment Compensation for Ex-Service members (UCX). Although overpayments for all of these programs, including high-dollar overpayments, are part of the population from which BAM samples are drawn, BAM surveys only a small percentage of total UI paid claims. Therefore, the number of UI benefit recipients with high-dollar overpayments identified through BAM is significantly less than the number of high-dollar overpayments in the population.

**ASSOCIATED DATA FOR THE UNEMPLOYMENT INSURANCE HIGH-DOLLAR REPORT**

**REPORTING QUARTER: FY 2020 QUARTER 4**

**States Reporting at the \$25,000 Threshold**

<b>State</b>	<b>State UI UCFE/UCX Cases</b>	<b>State UI UCFE/UCX Amount</b>	<b>EB Cases</b>	<b>EB Amount</b>	<b>Total High-Dollar Cases</b>	<b>Total High-Dollar Amount</b>
AK	0	\$0	0	\$0	0	\$0
AR	0	\$0	0	\$0	0	\$0
CA	0	\$0	0	\$0	0	\$0
CO	0	\$0	0	\$0	0	\$0
CT	0	\$0	0	\$0	0	\$0
DC	0	\$0	0	\$0	0	\$0
DE	0	\$0	0	\$0	0	\$0
FL	0	\$0	0	\$0	0	\$0
GA	0	\$0	0	\$0	0	\$0
HI	0	\$0	0	\$0	0	\$0
IA	0	\$0	0	\$0	0	\$0
ID	0	\$0	0	\$0	0	\$0
IL	0	\$0	0	\$0	0	\$0
IN	0	\$0	0	\$0	0	\$0
KS	0	\$0	0	\$0	0	\$0
KY	0	\$0	0	\$0	0	\$0
MA	23	\$613,545	0	\$0	23	\$613,545
MD	0	\$0	0	\$0	0	\$0
ME	0	\$0	0	\$0	0	\$0
MI	0	\$0	0	\$0	0	\$0
MN	0	\$0	0	\$0	0	\$0
MO	0	\$0	0	\$0	0	\$0
MS	0	\$0	0	\$0	0	\$0
MT	1	\$26,400	0	\$0	1	\$26,400
NC	0	\$0	0	\$0	0	\$0
ND	0	\$0	0	\$0	0	\$0
NE	0	\$0	0	\$0	0	\$0
NH	0	\$0	0	\$0	0	\$0
NJ	4	\$164,556	0	\$0	4	\$164,556
NM	0	\$0	0	\$0	0	\$0
NV	0	\$0	0	\$0	0	\$0
NY	0	\$0	0	\$0	0	\$0
OH	0	\$0	0	\$0	0	\$0
OK	0	\$0	0	\$0	0	\$0
OR	0	\$0	0	\$0	0	\$0
PA	0	\$0	0	\$0	0	\$0

State	State UI UCFE/UCX Cases	State UI UCFE/UCX Amount	EB Cases	EB Amount	Total High-Dollar Cases	Total High-Dollar Amount
PR	0	\$0	0	\$0	0	\$0
RI	0	\$0	0	\$0	0	\$0
SC	0	\$0	0	\$0	0	\$0
SD	0	\$0	0	\$0	0	\$0
TN	0	\$0	0	\$0	0	\$0
TX	0	\$0	0	\$0	0	\$0
UT	0	\$0	0	\$0	0	\$0
VA	0	\$0	0	\$0	0	\$0
VT	0	\$0	0	\$0	0	\$0
WA	27	\$830,522	0	\$0	27	\$830,522
WI	0	\$0	0	\$0	0	\$0
WV	0	\$0	0	\$0	0	\$0
WY	0	\$0	0	\$0	0	\$0
US	55	\$1,635,023	0	\$0	55	\$1,635,023

States Not Reporting High-Dollar Cases on the ETA 227 Report BAM Unemployment Insurance High-Dollar Report Reporting Quarter: FY 2020 Quarter 4 Reported at the \$25,000 Level		
State	BAM Cases	BAM Amount OP
AL	0	\$0
AZ*	0	\$0
HI	0	\$0
LA	0	\$0
VI	0	\$0
* State workforce agency submitted the ETA 227 Report, but did not report high-dollar data.		

Source: ETA 227 Report, BAM

Prepared by: Office of Unemployment Insurance, Division of Performance Management