FY 2020 OMB Supplemental Data Call

DOL

Contents

Agency-Wide Responses

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))
Please describe the steps the agency has taken to detect and recover improper payments.

ANSWER:

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
2. Inability to Authenticate Eligibility: Inability to Access Data	1-Automation	Work with SSA identify potential unreported earnings & obtain wage and FERS offset data from SSA.	Other
2. Inability to Authenticate Eligibility: Inability to Access Data	5-Cross Enterprise Sharing	Work with OPM to identify dual benefits	Other
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	1-Automation	Track & audit benefit entitlement forms.	Other
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	6-Audit (improve IC)	Track & audit benefit entitlement forms.	Other
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	2-Behavioral/Psych Influence (nudge for honesty when data hard to pre-check)	Enforce temporary suspensions when forms are not timely or incomplete.	Other
9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)	Enhance payment online training resources.	Other
9. Administrative or Process Errors Made by: Federal Agency	6-Audit (improve IC)	Conduct monthly in-depth payment auditing & assessment of staff.	Other
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	1-Automation	Enhanced electronic bill pay authorization system & train staff.	FY2020 Q3

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	3-Training (how to complete contracts)	Enhanced electronic bill pay authorization system & train staff.	FY2020 Q3
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	4-Change Process (instructions, checklist, policy)	New bill pay contract includes IP bill pay controls. FECA developed systems to provide technical support to contract staff.	FY2020 Q3
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	6-Audit (improve IC)	Conduct monthly bill pay audits to identify IPs.	Other
14. Other	1-Automation	Enhance early detection of potential fraud through data analytics.	Other
14. Other	3-Training (how to complete contracts)	Training across external & internal fraud management platforms.	Other

ANSWER:

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
1. Program Design or Structural Issue	Other (free text)	Partnered with Chief Evaluation Office (CEO) for study on state work search (WS) requirements	Other
1. Program Design or Structural Issue	2-Behavioral/Psych Influence (nudge for honesty when data hard to pre-check)	Worked with CEO & Center to implement behavioral science WS strategies.	Other

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
1. Program Design or Structural Issue	4-Change Process (instructions, checklist, policy)	Developed model WS law; issued guidance; letters to encourage state adoption	Other
2. Inability to Authenticate Eligibility: Inability to Access Data	1-Automation	Identified states with high Benefit Year Earnings (BYE) errors/underutilization of National Directory of New Hires (NDNH). Center provided TA on NDNH cross match & best practices on procedures	FY2020 Q3
2. Inability to Authenticate Eligibility: Inability to Access Data	3-Training (how to complete contracts)	Identified states with high Benefit Year Earnings (BYE) errors/underutilization of National Directory of New Hires (NDNH). Center provided TA on NDNH cross match & best practices on procedures	FY2020 Q3
8. Failure to Verify: Other Eligibility Data (explain)	Other (free text)	Provided custom TA to states to reduce high Employment Service errors	FY2019 Q4
10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)	Center provided TA to 11 High Rate/High Impact (H-R/H-I) states; Developed strategies to include in state IAPs for FY20 SQSP; Created state IP reduction plan; 9 states had IP rate reduction vs FY19; 2 states had IP below 10% and removed from H-R/H-I	Other
10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)	Center provided onsite TA services to 29 states; virtual TA services to 12 states; State Practices Portal (SPP) includes 96 "model" practices from 29 states; Library contains over 1,933 resources; Published 13 high impact IP reduction practices and desk aid series to highlight specific integrity challenges; issued guide on ID theft/internal security	Other
10. Administrative or Process Errors	3-Training (how to complete contracts)	Center's Training Academy: Awarded certificates to 1,660 state staff; Enrolled nearly 8,000 state staff; Developed New	Other

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
Made by: State or Local Agency		Hire Training; Launched new learning management system	
10. Administrative or Process Errors Made by: State or Local Agency	4-Change Process (instructions, checklist, policy)	Continued TA on proposed legislation & educate Congress about UI & support needed to lower its IP rate	Other
13. Insufficient Documentation to Determine	1-Automation	Center hosted State Information Data Exchange System (SIDES) training/boot camp to provide states best practices; encouraged employer use; ETA issued guidance	FY2020 Q2
13. Insufficient Documentation to Determine	3-Training (how to complete contracts)	Center hosted State Information Data Exchange System (SIDES) training/boot camp to provide states best practices; encouraged employer use; ETA issued guidance	FY2020 Q2

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: FECA has taken significant steps to enhance early detection of prevention. FECA enforced timely & accurate submission of questionnaires, expanded IP audits, & provide training. In FY20 FECA took the following significant actions:

FECA is committed to the continued improvement of methods to detect & prevent potential fraud. The Program Integrity Unit (PIU) uses structured data analytic methods to review spending patterns & react to integrity issues. Efforts include:

ANSWER: DOL has mature cost-effective controls to safeguard payment integrity & detect, reduce, or recover IP which vary by program need. These measures are designed to hold appropriate staff accountable for meeting applicable IP reduction targets, & establish/maintain sufficient controls to manage IP risk, & promptly detect/recover IP. See Reporting Program-specific responses for more info.

Question 3: Recovery Audits (PIIA Section: 3352)
Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

ANSWER: The UI program has deemed payment recapture audits cost effective. Performing UI payment recapture activities & providing states with tools to aid recovery are ETA priorities.

All state UI laws provide for OP recovery & states are required to follow their individual state laws & policies in executing recovery efforts. Recovery efforts vary greatly by state depending on the tools used & the capacity of the state to pursue recovery efforts, which is a factor that influences the level of recovery.

With oversight from ETA, states are responsible for the recovery of UI OPs. Each state's BPC staff/unit is responsible for promoting & maintaining UI program integrity through prevention, detection, investigation, establishment, & recovery of IPs. BPC identify & establish OPs for recovery using methods such as cross-matching with State Directory of New Hires (SDNH) & NDNH, quarterly wage records submitted by employers, matches with databases such as Workers Compensation & State Corrections, & other sources such as tips & leads.

States are required to hold claimants liable to repay improperly received benefits & take an active role to recover IPs. States may waive repayments for non-fraud OPs when it would be against equity & good conscience pursuant to their state's law. ETA requires states to use recovery tools listed below:

Some of the other recovery activities & tools used by states include:

Recovered OPs for state UI claims are returned to the UI trust fund account from which the benefits were originally paid & may only be used to pay benefits.

ETA requires states to report quarterly on detection and recovery activities, including info on actual amounts of UI OPs identified & recovered. However, actual payment of benefits or OPs amounts established may have occurred in prior quarters/years.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))
Please describe your agency's progress:
- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

ANSWER:

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
3 – Fully Operational	3 – Fully Operational	3 – Fully Operational	3 – Fully Operational

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: FECA has mature internal controls to mitigate fraud risks, & is committed to reducing IP by focusing on identifying, reporting, & implementing improved policies to reduce areas of fraud vulnerabilities. FECA uses data analytics tools & methods to examine claimant travel & medical services billing patterns to look for suspicious activity. Specifically, FECA closely monitors medical billing data to identify potential fraud including incentivized prescribing, kickbacks, & other possible schemes, which are investigated by DOL OIG. Dashboards & data exploration tools also allow officials to identify potential fraud, waste, & abuse in pharmaceutical billing trends that resulted in new controls to curb fraudulent activity.

ANSWER: DOL has implemented extensive cost-effective financial and administrative controls & measures to safeguard payment integrity & to detect, reduce, & recover IP. These measures are designed to hold appropriate personnel accountable for meeting applicable IP reduction targets, & establish/maintain sufficient controls to effectively manage IP risk, & to promptly detect & recapture any IP that are made. Measures vary by program needs. Reporting program specific responses describe some of these measures in detail.

Question 6: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))
Please indicate the following:
- *Any programs not listed in this collection which were recently assessed to determine susceptibility of improper payments.*
  - *Whether it was likely to be above or below the statutory threshold.*
- *The FY for any programs not listed in this collection which were most recently assessed to determine whether it was likely to be above or below the statutory threshold.*
- *If they had substantial changes to RA methodology.*

ANSWER:

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Executive Direction and Staff Services	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Prices and Cost of Living	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Productivity and Technology	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Community Service Employment for Older Americans	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Employment Service	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Workforce Information - Etools	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Occupational Safety and Health Administration	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Energy Employees Occupational Illness Compensation	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Jobs for Veterans' State Grants (JVSG)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Wage & Hour Division	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: As part of the Department's regular cycle of Department-wide PIIA Reviews in FY20, were sent to all agency heads to ensure any new programs were identified & to consider if conditions surrounding payment integrity or the cost-effectiveness of formal recapture audit program analyses had changed. This process allows annual monitoring of all DOL programs, & to ensure DOL conducts of all identified programs at least once every three-years. Identified programs include all "activities or sets of activities recognized as programs by the public, OMB, or Congress, as well as those that entail program management or policy direction". FY20 Program Inventory and Questionnaires identified three new temporary UI programs created under the CARES Act - Federal Pandemic Unemployment Compensation (FPUC), Pandemic Unemployment Assistance (PUA), & Pandemic Emergency Unemployment Compensation (PEUC) Programs.

Federal Employees's Compensation Act (FECA)

Question 1: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Please describe the steps the program has taken and plans to take (including timeline) to ensure that agency managers (including the agency head), accountable officers, program official/owner, and States and localities (where appropriate) are held accountable for reducing and recapturing IPs through annual performance appraisal criteria for each of the following:
- *Meeting applicable improper payments reduction targets;*
- *Preventing improper payments from being made; and*
- *Promptly detecting and recovering improper payments that are made.*

ANSWER:

Performance Appraisal Criteria
meeting applicable improper payments reduction targets
prevent improper payments from being made
promptly detect and recover improper payments that are made

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: FECA has IT infrastructure, processes, in place to reduce IP. FECA incorporates internal controls into the annual performance standards of agency managers & subordinate staff to ensure focus on mitigating IP. Agency managers are held accountable for meeting IP targets, & are required to submit monthly results of audits & supervisor reviews to identify IP. Division heads engage with managers to monitor goal compliance & provide guidance for prompt detection & recovery of IP.

In FY20, FECA implemented new operational & performance plans which include requirements for accountability review & measurement of payments to improve payment accuracy & identify individual employee training needs.

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

ANSWER:

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
YES	2. Inability to Authenticate Eligibility: Inability to Access Data	1-Automation

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
YES	2. Inability to Authenticate Eligibility: Inability to Access Data	2-Behavioral/Psych Influence (nudge for honesty when data hard to pre-check)
YES	2. Inability to Authenticate Eligibility: Inability to Access Data	5-Cross Enterprise Sharing
N/A	1. Program Design or Structural Issue	Other (free text)
N/A	12. Medical Necessity	Other (free text)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: While FECA continues to implement policy & other strategies designed to lower the IP rate, the FECA program faces several barriers that limit the agency's corrective actions in reducing improper payments.

This category of errors reflects issues in the prompt & accurate annual authentication of continued eligibility. Statutory & regulatory barriers limit the program's ability to stop or adjust payments based on a medical review. FECA cannot directly access wage data or dual benefit eligibility data housed by other Federal agencies. The cost of establishing cross data sharing with other agencies has been explored by FECA & the cost of internal & external IT infrastructure & strategic changes are not cost effective & would cost more to implement than the amount saved. FECA continues to explore cost-effective methods to mitigate IPs, through training, cross agency communication & via annual benefit entitlement questionnaires.

The largest category of discrepancies identified involved various elements of payments. The identified IP in this category highlight the ongoing challenges facing the program's payment process, namely reliance on reporting by other Federal agencies & statutory, regulatory & procedural complexities inherent in the calculation of payments. In many instances, the information provided by an employing agency is incomplete or inaccurate. No automated mechanism exists to determine or validate the accuracy of the information reported by the employing agency, or even to ensure that all necessary information is submitted with the claim for compensation. FECA has implemented cost-effective automated methods of communication, through on-line portals for document & compensation claims.

The "Other Party" category reflects medical-billing payments. The challenge of efficiently providing automated medical authorization & bill payment services for hundreds of thousands of bills within program guidelines is ongoing. In FY20, a new bill pay contract was awarded. The program is working closely with the bill pay contractor to identify & implement cost-effective controls to prevent bill pay processing errors.

: The "Other" error category reflects fraud. FECA has implemented cost-effective methods to prevent improper payments, through the PIU & data analytics. The FECA IP rate of fraudulent payments is based

on actual restitution amounts ordered by the courts. Therefore, FECA's aggressive efforts to detect & prosecute fraud have the converse effect of driving the IP rate itself higher in the short term.

Question 8: Tolerable Rate
Do you believe the program has reached a tolerable rate of improper payments?

ANSWER:

Indicate Yes or No
NO

Question 8 Free Text: Tolerable Rate
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: The FECA program remains committed to reducing it IP by focusing on identifying, reporting, & implementing new policies to reduce areas of vulnerabilities. While the IP rate itself is expected to remain stable. FECA has seen a reduction in administrative errors (medical bill pay & compensation) IP which for FY20 was less than 1%. However, FECA estimates that the program's fraud rate will increase in FY21 due to FECA's increased capacity to identify suspected fraud & successful prosecution & restitution by DOL & agency OIGs. Per OMB guidance, the program considers payments fraud after having been admitted or proven in the judicial system. The fraudulent payment rate was determined by averaging the court-ordered restitution awarded as the result of fraud across a three year period. Using this process, the fraud estimation for FY20 was $40.41 million, which translates to a rate of 1.37%. Separately, the administrative & fraud portion are each under 1.5%.

The fraud portion of FECA's IP rate generally does not constitute a monetary loss to the Federal government because it reflects court ordered restitution. The administrative portion, which does reflect monetary loss to the government, was only 0.97% of the total IP rate. This is well below the "susceptible to significant IP" threshold reporting requirements.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))
Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

ANSWER:

Indicate 'yes' or 'no'	Indicate program needs
YES	1. Internal Controls
YES	2. Human Capital
YES	3. Information Systems
YES	4. Resources

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: The FECA payments program is essentially a claims processing organization, adjudicating workers' compensation claims for all Federal employees & certain non-Federal employees specifically covered under FECA. It utilizes the Integrated Federal Employees Compensation System (iFECS) to administer the program. iFECS is a major application that provides a case management system to support core business functions & includes three sub-components, the Agency Query System (AQS), the Claimant Query System (CQS) & the Employees' Compensation Operations and Management Portal (ECOMP). iFECS was established to provide FECA with an automated case management system. The system provides data processing, financial & program management, as well as decision support functionalities to authorized users. iFECS maintains an automated record of all claims filed, adjudicatory statuses & benefits paid & denied. Data on entitlement & benefits payment status maintained on iFECS is available in accordance with the Privacy Act to authorized claimants, authorized representatives, & authorized user organizations verbally via telephone & in paper/electronic formats.

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: See Corrective Actions FECA has taken as provided in Q#2, above.

Question 11: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))
Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

ANSWER:

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
2. Inability to Authenticate Eligibility: Inability to Access Data	1-Automation	Other (select date)	
2. Inability to Authenticate Eligibility: Inability to Access Data	5-Cross Enterprise Sharing	Other (select date)	
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	1-Automation	Other (select date)	
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	2-Behavioral/Psych Influence (nudge for honesty when data hard to pre-check)	Other (select date)	

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	6-Audit (improve IC)	Other (select date)	
9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)	Other (select date)	
9. Administrative or Process Errors Made by: Federal Agency	6-Audit (improve IC)	Other (select date)	
9. Administrative or Process Errors Made by: Federal Agency	1-Automation	FY2021	
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	4-Change Process (instructions, checklist, policy)	Other (select date)	
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	6-Audit (improve IC)	Other (select date)	
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	Other (free text)	Other (select date)	
14. Other	1-Automation	Other (select date)	
14. Other	3-Training (how to complete contracts)	Other (select date)	

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: See DOL's original submission on MAX for detailed completion dates & corrective actions.

FECA continued to work with OCFO & Treasury to incorporate analytic services from the Do Not Pay (DNP) Business Center into its operations. DNP analytic reports will allow enhanced, actionable management reviews related to reported changes in beneficiary eligibility status to properly identify & adjust claims to avoid or minimize IP. FECA reviews payments down to the individual identifier level to better identify training needs & issues that may contribute to IP.

FECA will continue to focus on staff needs by providing tailored training, revising training modules, & updated correspondence letters & tracking. In addition, FECA conducts ongoing audits of payments to identify individual training needs, implements diverse sampling within program audits, & addresses error trends that may be contributing to IP.

The "Other Party" category reflects medical-billing errors that did not meet coverage, coding & reimbursement billing requirements. The program has existing internal controls to prevent improper bill payments & works closely with a bill pay contractor to identify & implement controls to prevent IP.

: The "Other" error category reflects OIG fraud restitution. FECA continued effective practices to identify & address compensation & provider fraud including: enhancing periodic claims reviews; monitoring medication dispensing trends; allowing agencies access to data systems with compensation & medical-billing payment information; & adding investigative analysts with fraud background & experience.

Question 16: Do Not Pay Initiative (PIIA Section: 3354(b) (5))
Please indicate whether the program uses the DNP (yes/no) and whether the Do Not Pay Initiative has reduced/prevented improper payments (yes/no). Additionally, please provide the frequency of corrections (week/month range) or identification of incorrect information (range of false hits?).

ANSWER:

Does the program use the Do Not Pay Initiative (DNP) (yes/no)	Has the DNP reduced/prevented improper payments (yes/no)	How frequently are corrections made?	How frequently is incorrect information identified?
YES	YES	Monthly	Monthly

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: FECA reviews & takes appropriate actions on any matches found in the DNP Portal & is expanding use of DNP analytics services through the DNP Business Center.

Unemployment Insurance (UI)

Question 1: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))
Please describe the steps the program has taken and plans to take (including timeline) to ensure that agency managers (including the agency head), accountable officers, program official/owner, and States and localities (where appropriate) are held accountable for reducing and recapturing IPs through annual performance appraisal criteria for each of the following:
- *Meeting applicable improper payments reduction targets;*
- *Preventing improper payments from being made; and*
- *Promptly detecting and recovering improper payments that are made.*

ANSWER:

Performance Appraisal Criteria
meeting applicable improper payments reduction targets

Performance Appraisal Criteria
prevent improper payments from being made
promptly detect and recover improper payments that are made

Question 8: Tolerable Rate
Do you believe the program has reached a tolerable rate of improper payments?

ANSWER:

Indicate Yes or No
NO

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))
Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

ANSWER:

Indicate 'yes' or 'no'	Indicate program needs
YES	1. Internal Controls
YES	2. Human Capital
YES	3. Information Systems
YES	4. Resources
NO	5. Other: Explain

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: States have internal controls, processes, programs, & staff in place throughout all UI program operations dedicated to protect from internal threats & vulnerabilities. State internal & IT security programs are intended to identify & eliminate system vulnerabilities, but the risk remains of physical damage, harm to staff & property, issuance of UI IPs, & misuse of administrative funds & assets by agency staff. States are expected to review controls & update them regularly to eliminate new threats & vulnerabilities as technology & business practices evolve. Payment integrity is the responsibility of all agency staff, & states have dedicated staff conducting BPC activities to prevent, detect, & recover IPs, & combat fraud. In recent years, state staffing resources have been negatively impacted. Administrative funding for states' UI program operations is based on projected workloads & benefit weeks claimed. The decline in workload resulted in a reduction of federal administration funding creating a challenge for states to adequately staff their UI operations - including program integrity functions.

State UI benefit & tax IT systems vary in terms of performance capacities, capabilities, & adaptability to new UI program requirements & integrity strategies. Many states continue to struggle with legacy IT infrastructure, making it difficult to implement many integrity solutions. State IT capacity has been strained by the decline in administrative funding provided to states to effectively operate the UI program. DOL has implemented the UI IT Support Center to provide states with TA in implementing modernized IT systems & other IT-related projects that enhance UI services to claimants & employers. Other resources that DOL has made available for state use includes the SIDES, which enables the exchange of information with employers concerning reasons for a claimant's separation from employment; the UI Interstate Connection Network, a telecommunications data hub that supports the sharing of claims data among states & other integrity related functions; & the Center that provides tools, training, & TA to states to improve integrity operations including strategies, recommendations, & best practices to combat fraud, reduce & recover IPs.

DOL also monitors & provides TA to states to ensure they are able to utilize available integrity tools. For example, as a result of DOL monitoring, states modified new hire computer matching procedures to improve the IP detection. Additionally, DOL has worked closely with state agencies to develop IT systems & infrastructure to support SIDES & to access the Treasury Offset Program for UI OP recovery.

Question 11: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))
Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

ANSWER:

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
1. Program Design or Structural Issue	Other (free text)	FY2021	
1. Program Design or Structural Issue	2-Behavioral/Psych Influence (nudge for honesty when data hard to pre-check)	FY2021	
2. Inability to Authenticate Eligibility: Inability to Access Data	1-Automation	FY2021	
2. Inability to Authenticate Eligibility: Inability to Access Data	3-Training (how to complete contracts)	FY2021	
10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)	FY2021	

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
10. Administrative or Process Errors Made by: State or Local Agency	3-Training (how to complete contracts)	FY2021	
10. Administrative or Process Errors Made by: State or Local Agency	4-Change Process (instructions, checklist, policy)	FY2021	
13. Insufficient Documentation to Determine	1-Automation	FY2021	
13. Insufficient Documentation to Determine	3-Training (how to complete contracts)	FY2021	

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: See submission on MAX for greater detail.

Many of FY20's corrective actions to detect & recover IPs will continue for FY21 (see Q#2 Free Text for more information on cause for delayed/continuing corrective actions). TA & corrective actions that were paused in FY20 due to the impact of the COVID-19 pandemic are expected to resume in FY21. Prior to the TA pause in 3/2020, ETA's corrective actions & ETA's partnership with the Center to provide targeted & increased TA were effective in reducing H-R/H-I state's IP rates. Nine of the 11 states designated as H-R/H-I effectively reduced their IP rates, & two of these states were removed from H-R/H-I designation. ETA & the Center will continue to collaborate & work closely with states on their integrity needs, providing innovative strategies & resources to reduce IPs in the UI program.

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))
Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

ANSWER:

Indicate compliant or non-compliant	Compliance criteria
Non-Compliant	6. Report a gross Improper Payment Rate of Less than 10%

Question 13: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate how many consecutive years this program was deemed non-compliant as of the most recent IG compliance review (regardless of which of the six (6) criteria were determined non-compliant).

ANSWER:

Indicate consecutive years
9

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: The UI federal-state partnership has been found non-compliant with IPERA, as amended, in one of six compliance requirements by DOL-OIG in the annual compliance reports since FY2011.

Question 14: Bringing the program into compliance (PIIA Section: 3353(b) (5))

If deemed to be non-compliant in the most recent fiscal year, please briefly describe the plan the executive agency will take to bring the program into compliance.

ANSWER:

Indicate root cause	Indicate planned corrective actions
14. Other	Other (free text)

Question 15: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

For any program or activity deemed to be non-compliant in the most recent fiscal year please briefly describe and identify the following:

- *The measurable milestones to be accomplished*
- *The senior executive agency official responsible*
- *Establishment of an accountability mechanism*
- *Incentives*
- *Consequences*

ANSWER:

Measurable milestones	Target Date	If other date, please specify	Senior Executive Agency Official	Accountability Mechanism	Incentives	Consequences
UI IP Rate of 9%	FY2021		ETA Assistant Secretary; DOL Chief Financial Officer	Agency Priority Goal	NA	NA

Question 16: Do Not Pay Initiative (PIIA Section: 3354(b) (5))
Please indicate whether the program uses the DNP (yes/no) and whether the Do Not Pay Initiative has reduced/prevented improper payments (yes/no). Additionally, please provide the frequency of corrections (week/month range) or identification of incorrect information (range of false hits?).

ANSWER:

Does the program use the Do Not Pay Initiative (DNP) (yes/no)	Has the DNP reduced/prevented improper payments (yes/no)	How frequently are corrections made?	How frequently is incorrect information identified?
YES	YES	Monthly	Monthly

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: States use DNP Initiative databases as appropriate per law & policy of each of the 53 state administered programs.

The UI program does not participate in the DNP Portal. However, most states routinely cross match claims against a variety of databases such as SDNH & NDNH, & the Death Master File independently. Since the DNP Portal is not optimal for state UI programs, ETA has partnered with the Center to implement the IDH that provides states access to cross match with several datasets to detect & prevent fraud & IPs aligned with the DNP capabilities. The IDH infrastructure has been scaled to support all 53 state UI agencies cross matching with nationwide data sets. ETA & the Center continue to identify & procure additional public & private data sources for states' access through the IDH. Refer to Q#5, above, for the datasets currently available to states through the IDH.

ETA continues to aggressively promote the use of the IDH by states, & many states are now reviewing UI claims against the information sources & expanded analytics capabilities available through the IDH.

National Dislocated Worker Grants (NDWG) - Employment and Training Administration (ETA) funds under P.L. 115-123

Question 1: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))
Please describe the steps the program has taken and plans to take (including timeline) to ensure that agency managers (including the agency head), accountable officers, program official/owner, and States and localities (where appropriate) are held accountable for reducing and recapturing IPs through annual performance appraisal criteria for each of the following:
- *Meeting applicable improper payments reduction targets;*
- *Preventing improper payments from being made; and*
- *Promptly detecting and recovering improper payments that are made.*

ANSWER:

Performance Appraisal Criteria
meeting applicable improper payments reduction targets

Performance Appraisal Criteria
prevent improper payments from being made
promptly detect and recover improper payments that are made

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: See DOL response.

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: N/A. NDWG census methodology review found no IP in FY20.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

ANSWER:

Indicate Yes or No
N/A

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: N/A. NDWG census methodology review found no IP in FY20.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

ANSWER:

Indicate 'yes' or 'no'	Indicate program needs
YES	1. Internal Controls
YES	2. Human Capital
YES	3. Information Systems
YES	4. Resources

Indicate 'yes' or 'no'	Indicate program needs
N/A	5. Other: Explain

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: In compliance with the Bipartisan Budget Act of 2018 (P.L. 115-123) the ETA National Disaster Workforce Grants (NDWG) program is required to report an IP estimation for disaster supplemental funds provided in response to Hurricanes Harvey, Maria, and Irma & those jurisdictions impacted by wildfires in 2017. DOL has a mature internal controls structure & performance management over grants programs. NDWG census methodology review found no IP in FY20. NDWG Disaster Grant outlays during FY20 were $15,356,283.56.

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: N/A. NDWG census methodology review found no IP in FY20.

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: N/A. NDWG census methodology review found no IP in FY20.

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: In compliance with the Bipartisan Budget Act of 2018 (P.L. 115-123) the ETA National Disaster Workforce Grants (NDWG) program is required to report an IP estimation for disaster supplemental funds provided in response to Hurricanes Harvey, Maria, and Irma & those jurisdictions impacted by wildfires in 2017. NDWG census methodology review found no IP in FY20. NDWG Disaster Grant outlays during FY20 were $15,356,283.56.

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: NDWG is a grants program which reviews all new grantees against appropriate DNP List databases.

Department of Labor - Consolidated Responses

Question 1: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Please describe the steps the program has taken and plans to take (including timeline) to ensure that agency managers (including the agency head), accountable officers, program official/owner, and States and localities (where appropriate) are held accountable for reducing and recapturing IPs through annual performance appraisal criteria for each of the following:

- *Meeting applicable improper payments reduction targets;*
- *Preventing improper payments from being made; and*
- *Promptly detecting and recovering improper payments that are made.*

ANSWER:

Performance Appraisal Criteria
meeting applicable improper payments reduction targets
prevent improper payments from being made
promptly detect and recover improper payments that are made

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

ANSWER:

Indicate compliant or non-compliant	Compliance criteria
Non-Compliant	6. Report a gross Improper Payment Rate of Less than 10%

Question 13: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate how many consecutive years this program was deemed non-compliant as of the most recent IG compliance review (regardless of which of the six (6) criteria were determined non-compliant).

ANSWER:

Indicate consecutive years
9

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: The UI federal-state partnership has been found non-compliant with IPERA, as amended, in one of six compliance requirements by DOL-OIG in the annual compliance reports since FY2011.

Question 14: Bringing the program into compliance (PIIA Section: 3353(b) (5))
If deemed to be non-compliant in the most recent fiscal year, please briefly describe the plan the executive agency will take to bring the program into compliance.

ANSWER:

Indicate root cause	Indicate planned corrective actions
14. Other	Other (free text)

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: See UI-specific response for information regarding legislative proposals.

Question 16: Do Not Pay Initiative (PIIA Section: 3354(b) (5))
Please indicate whether the program uses the DNP (yes/no) and whether the Do Not Pay Initiative has reduced/prevented improper payments (yes/no). Additionally, please provide the frequency of corrections (week/month range) or identification of incorrect information (range of false hits?).

ANSWER:

Does the program use the Do Not Pay Initiative (DNP) (yes/no)	Has the DNP reduced/prevented improper payments (yes/no)	How frequently are corrections made?	How frequently is incorrect information identified?
YES	YES	Monthly	Monthly

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))
Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

ANSWER: PIIA & OMB directives require agencies to integrate the use of existing databases (aka the "Do Not Pay List") to verify eligibility for Federal payments. The DNP Business Center provides Federal agencies with a web-based single-entry access DNP Portal to these databases & payment data analytics services. DOL agencies implement the DNP Initiative as appropriate for their payment integrity needs.

The DNP Portal compares the Department's PAM file of all Treasury disbursed payments against the DMF database. When a payment matches, the payment information is returned to OCFO or responsible agency payment office for adjudication. Matches are reviewed against business rules to cull false-positives. Matches which cannot be culled per business rules are reviewed by agency subject matter experts to determine if the match represents a true positive IP.

DOL maintains comprehensive, cost effective internal controls to ensure the payment integrity of all programs. Among these controls, programs review private & government-owned databases directly, as appropriate for their business needs. Procurement & grants programs include internal controls requiring review of all vendors against the SAM database. OWCP benefit programs conduct batch matching against the DMF prior to Treasury disbursal. These reviews are designed to prevent IP & vary significantly by specific programmatic need.