

Partnership Fund Pilot Award Summary

Concept Name: Accessing Financial Institutions' Data for Employment Detection

Lead Agency: Department of Labor, Employment & Training Administration (ETA)

Funding Level: \$600,000

Number of States/Pilot Sites: 3

Summary of Funded Concept: This pilot will use financial transaction monitoring services already widely employed by banks to detect unusual payroll deposits to the accounts of beneficiaries in state unemployment insurance (UI) programs to allow for timely follow-up with individuals who may be newly employed. Financial institutions already use private services to detect suspicious account activity, and these same services are able to detect payroll transactions made through direct deposit. The UI program currently has an annual error rate of roughly 11 percent, much of which occurs due to continued benefits payments to individuals who are no longer eligible. This pilot will test how monitoring tools could help UI and other employment-related programs reduce high rates of overpayment by identifying claimants who have likely become employed for follow-up to confirm any changes to their eligibility. ETA could work with States and other Federal agencies to expand the pilot to additional programs if justified by early pilot results. In collaboration with ETA, each pilot State will be required to review its privacy statutes and program rules to ensure compliance with privacy and consent requirements.

Addressing the Partnership Fund's Goals:

- Reduce improper payments by enabling prompt agency follow-up with UI recipients who have likely become ineligible and may be receiving overpayments
- Improve administrative efficiency by better identifying claimants whose eligibility status has likely changed
- Improve and protect access for eligible beneficiaries by conducting timely, necessary follow-up with claimants to continue benefits where appropriate

Changes from the Original Pilot Concept Submission: The original submission proposed employment detection primarily in the Supplemental Security Income and Social Security Disability Insurance programs and suggested UI as a potential secondary program. As funded, the pilot concept will first be implemented in the UI program and may later expand to additional programs.

Original Pilot Concept Proposal Submitted By: Collaborative Forum - Auditing Work Group.