

TRAINING AND EMPLOYMENT NOTICE	NO . 28-23
	DATE May 2, 2024

TO: STATE WORKFORCE AGENCIES

FROM: JOSÉ JAVIER RODRÍGUEZ /s/
Assistant Secretary

SUBJECT: Announcement of a New Data Sharing Partnership Between the U.S. Department of Treasury’s (Treasury) Bureau of the Fiscal Service (Fiscal Service) and the National Association of State Workforce Agencies’ (NASWA) Unemployment Insurance (UI) Integrity Center to provide State UI Agencies Access to Do Not Pay Working System (DNP) Data Sources and Services through the UI Integrity Data Hub (IDH)

1. **Purpose.** To announce the new data sharing partnership between Treasury’s Fiscal Service and NASWA’s UI Integrity Center to make DNP data sources and services available to the IDH to further support states in preventing and detecting improper payments and strengthening UI program integrity. This Training and Employment Notice (TEN) also announces an updated IDH Participation Agreement (PA) – Version 6.0, which states must execute to access DNP data sources and services through the IDH.
2. **Action Requested.** The Department of Labor’s (Department) Employment and Training Administration (ETA) requests State Workforce Administrators provide the information contained in this TEN to appropriate programs and other staff in the state UI system. All states that have previously executed an IDH PA should immediately coordinate with the UI Integrity Center to execute the new Version 6.0 as soon as possible, so the state will be positioned to take advantage of all data sources available through the IDH.
3. **Summary and Background.**
 - a. Summary – The IDH is a critical payment integrity tool to aid states in detecting and preventing UI fraud and is available to states at no cost. The Department has provided the UI Integrity Center funding from the American Rescue Plan Act, to support ongoing improvements and enhancements to the IDH, including access to government data sources. This TEN announces a new data sharing partnership between Treasury’s Fiscal Service and NASWA’s UI Integrity Center to incorporate DNP data sources and services into the IDH. The TEN also strongly encourages states to immediately update their IDH PA to Version 6.0, which states must execute to access the DNP data sources and services through IDH.
 - b. Background – As state UI agencies continue to combat ongoing fraud attacks, including schemes involving sophisticated criminal identity (ID) fraud and fictitious employers, it is imperative states employ a multi-layered approach to fraud prevention and detection,

using an array of controls, tools, strategies, and resources to identify fraud and reduce improper payments. States cannot rely solely on an ID verification service or a single fraud prevention solution to detect complex and ever-evolving fraud threats. At a minimum, states must use a risk-based approach, which uses both cross-matching and data analytics to identify suspicious activity that may be indicative of fraud and prioritize investigations based on the greatest risks.

The Department places a heightened priority on UI program integrity and is committed to pursuing antifraud strategies that support states with fraud risk mitigation and improper payment reduction. Through continuous exploration, research, investments, and partnerships, ETA strives to provide states with the most effective tools, resources, strategies, and guidance to help state UI agencies prevent and detect UI fraud and reduce improper payments. One such investment and partnership is the UI Integrity Center, which provides valuable UI program integrity resources and support to states.

Established by the Department and operated by NASWA's Center for Employment Security Education and Research (CESER), the UI Integrity Center is designed to assist states with their efforts to combat fraud and prevent, detect, and recover improper payments. The Department has a cooperative agreement with NASWA CESER to manage UI Integrity Center operations and provides funding to support UI Integrity Center resources and activities. A key payment integrity tool, developed and maintained by the UI Integrity Center, is the IDH. The IDH is a unique, secure, multi-state data system, with advanced data cross-matching and analysis capability, that allows states to submit UI data for matching against a variety of datasets to aid in the prevention and detection of fraud and improper payments. To use the IDH, states must execute an IDH PA, which is an agreement between NASWA CESER and the state that outlines roles and responsibilities, data management and security, and other terms and conditions. Currently, all 53 state UI agencies have an executed IDH PA.

The Department and the UI Integrity Center actively seek new opportunities and partnerships to continuously improve and enhance the IDH and make additional data sources available to states for cross-matching. This TEN announces an exciting new data sharing partnership with Treasury's Fiscal Service and the recent release of IDH PA – Version 6.0, which incorporates changes to allow state UI agencies to access DNP data sources and services through the IDH.

- 4. Partnership with Treasury's Fiscal Service.** Treasury disburses approximately 88 percent of all federal payments by volume on behalf of over 250 agencies each year to a wide variety of payees (*e.g.*, individuals, businesses, financial institutions). Fiscal Service operates the Office of Payment Integrity (OPI), of which the DNP Working System is a core component. Operated by Fiscal Service on behalf of the Office of Management and Budget, DNP is a resource that provides access to data sources and services to support eligibility determinations and analytics services for agencies, Inspectors General, and federally funded state-administered programs. The Payment Integrity Information Act of 2019 (PIIA) provided Treasury the authority executed through DNP, to work directly with state agencies that are responsible for reducing improper payments of federally funded, state-administered

programs, such as UI. To coordinate outreach and streamline access to DNP data sources and services for all state UI agencies, the Department, the UI Integrity Center, and Fiscal Service's OPI worked together to explore the possibility of providing DNP data sources and services through the IDH. Updates to IDH PA are required to allow this critical data sharing partnership, including the ability to access future DNP data sources and services and to make additional enhancements to the IDH. The new IDH PA – Version 6.0, incorporates these updates and is now available to states. The Department, the UI Integrity Center, and Fiscal Service's OPI are completing the final steps required to make some of the DNP data sources and services available through the IDH. ETA is notifying and encouraging all states to immediately update their IDH PA to Version 6.0 so states will have access to the DNP data sources and services when they become available and be positioned to take full advantage of other new enhancements as they are deployed. States that execute IDH PA – Version 6.0, prior to completion of the final steps required to go live in production, will be informed when the DNP data sources become available through the IDH.

The Department has provided funding to the UI Integrity Center to support ongoing improvements to the IDH as it continues to evolve and undergo enhancements to include more resources and datasets. ETA strongly encourages all states to regularly send UI data to the IDH for cross-matching to improve fraud detection efforts, including the ability to identify fraudulent activity occurring across multiple states. Specifically, ETA has requested states take the following three actions to strengthen fraud prevention and detection using the IDH:

1. take advantage of, and use, all IDH functionality;
2. implement IDH web service/real-time connectivity, if possible; and
3. submit all initial and continued claims to the IDH in real-time, or daily, at minimum.

As more states regularly submit UI claims data to the IDH, the IDH's ability to detect potentially fraudulent activity is strengthened, which benefits all states and provides increased opportunities to proactively identify and prevent improper payments.

5. **Inquiries.** Please direct inquiries regarding the information in this TEN to the appropriate ETA Regional Office.

For questions regarding IDH integration and to execute IDH PA – Version 6.0, please contact the UI Integrity Center's IDH Team at IDHTeam@naswa.org.

6. **References.**

- Payment Integrity Information Act of 2019 (PIIA) codified at 31 USC § 3551 *et seq.*;
- 20 C.F.R. Part 603;
- Unemployment Insurance Program Letter (UIPL) No. 11-23, *Announcement of Grant Opportunities and National Identity (ID) Verification Offering under the American Rescue Plan Act (ARPA)*, issued July 13, 2023, <https://www.dol.gov/agencies/eta/advisories/uipl-11-23>;

- UIPL No. 09-23, *Additional Planning Guidance for the Fiscal Year (FY) 2024 Unemployment Insurance (UI) State Quality Service Plan (SQSP)*, issued June 30, 2023, <https://www.dol.gov/agencies/eta/advisories/UIPL0923>;
- UIPL No. 22-21, *Grant Opportunity to Support States with Fraud Detection and Prevention, Including Identity Verification and Overpayment Recovery Activities, in All Unemployment Compensation (UC) Programs*, issued August 11, 2021, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-22-21>;
- UIPL No. 16-21, *Identity Verification for Unemployment Insurance (UI) Claims*, issued April 13, 2021, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-16-21>;
- UIPL No. 28-20, Change 4, *Support for States to Resolve Outstanding Items from the Expired Coronavirus Aid, Relief, and Economic Security (CARES) Act Unemployment Compensation (UC) Programs, Including Additional Funding to Assist States with Reporting and Detection and Recovery of Overpayments*, issued July 22, 2022, <https://www.dol.gov/agencies/eta/advisories/uipl-no-28-20-change-4>;
- UIPL No. 28-20, Change 2, *Additional Funding to Assist with Strengthening Fraud Detection and Prevention Efforts and the Recovery of Overpayments in the Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC) Programs, as well as Guidance on Processes for Combatting Identity Fraud*, issued August 11, 2021, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-28-20-change-2>;
- UIPL No. 28-20, Change 1, *Additional Funding for Identity Verification or Verification of Pandemic Unemployment Assistance (PUA) Claimants and Funding to Assist with Efforts to Prevent and Detect Fraud and Identity Theft as well as Recover Fraud Overpayments in the PUA and Pandemic Emergency Unemployment Compensation (PEUC) Programs*, issued January 15, 2021, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-28-20-change-1>;
- UIPL No. 28-20, *Addressing Fraud in the Unemployment Insurance (UI) System and Providing States with Funding to Assist with Efforts to Prevent and Detect Fraud and Identity Theft and Recover Fraud Overpayments in the Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC) Programs*, issued August 31, 2020, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-28-20>;
- UIPL No. 23-20, *Program Integrity for the Unemployment Insurance (UI) Program and the UI Programs Authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Federal Pandemic Unemployment Compensation (FPUC), Pandemic Unemployment Assistance (PUA), and Pandemic Emergency Unemployment Compensation (PEUC) Programs*, issued May 11, 2020, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-23-20>;
- UIPL No. 19-11, *National Effort to Reduce Improper Payments in the Unemployment Insurance (UI) Program*, issued June 10, 2011,

<https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-19-11>;

- TEN No. 02-23, *Unemployment Insurance (UI) Integrity Center Webinar: “Leveraging Federal Funds to Support More Robust Integrity Data Hub (IDH) Utilization”*, issued July 26, 2023, <https://www.dol.gov/agencies/eta/advisories/ten-02-23>;
- TEN No. 24-21, *Encouragement for States to Use the Integrity Data Hub (IDH) available through the Unemployment Insurance (UI) Integrity Center*, issued May 5, 2022, <https://www.dol.gov/agencies/eta/advisories/training-and-employment-notice-no-24-21>;
- TEN No. 04-20, *Encouragement for States to Use the Integrity Data Hub (IDH) available through the Unemployment Insurance (UI) Integrity Center*, issued August 31, 2020, <https://www.dol.gov/agencies/eta/advisories/training-and-employment-notice-no-04-20>; and
- TEN No. 03-20, *Unemployment Insurance (UI) Integrity Center’s Integrity Data Hub (IDH) Fraud Alert System*, issued August 31, 2020, <https://www.dol.gov/agencies/eta/advisories/training-and-employment-notice-no-03-20>.

7. **Attachment(s)**. Not Applicable.