

TRAINING AND EMPLOYMENT NOTICE	NO . 6-21
	DATE September 15, 2021

TO: STATE WORKFORCE AGENCIES

FROM: LENITA JACOBS-SIMMONS /s/
Acting Assistant Secretary

SUBJECT: Accessing Unemployment Insurance (UI) Identity Verification and Fraud Protection (Identity Proofing) Services using the U.S. Department of Labor's (Department) Blanket Purchase Agreements (BPA)

1. **Purpose.** To provide states with instructions on how to access the BPA resources, including procedures to establish orders against the Department's BPAs for identity proofing services. The resources include the State BPA Ordering Guide, Roles and Responsibilities of States, Funding Attestation Template, and Frequently Asked Questions (FAQ).
2. **Action Requested.** The Department's Employment and Training Administration (ETA) requests that State Workforce Agency Administrators provide information contained in this Training and Employment Notice (TEN) to appropriate staff.
3. **Summary and Background.**
 - a. Summary – The American Rescue Plan Act (ARPA) sets objectives for the use of the \$2.0 billion appropriated to the Secretary of Labor by the Act. These objectives are to detect and prevent fraud, promote equitable access, and ensure the timely payment of benefits regarding the unemployment compensation (UC) programs. In support of these objectives, the Department competitively awarded multiple BPAs to vendors capable of providing National Institute of Standards and Technology (NIST)-compliant¹, Identity Assurance Level 2 (IAL2) and Authenticator Assurance Level 2 (AAL2) UI applicant/claimant identity proofing services. The Department developed resources to provide states with procedures to establish orders against the Department-awarded BPAs.
 - b. Background – Identity theft is a major concern for UC programs and is a growing nationwide and worldwide problem. In calendar year 2020, the Federal Trade Commission received over 1.3 million reports of identity theft.

**EMPLOYMENT AND TRAINING ADMINISTRATION
U.S. DEPARTMENT OF LABOR
WASHINGTON, D.C. 20210**

¹ NIST Special Publication (SP) 800-63 provides technical requirements for implementing digital identity services. The publication includes: an overview of identity frameworks; using authenticators, credentials, and assertions in a digital system; and a risk-based process to select assurance levels at <https://pages.nist.gov/800-63-3/sp800-63-3.html>.

The type of identity theft most reported was “Government Documents and Benefits Fraud”. Since the onset of the Coronavirus Disease 2019 (COVID-19) pandemic, and with implementation of the ensuing temporary UC benefit programs, the UI program has become an increased target for international and domestic criminal organizations perpetrating identity fraud.

As discussed in UIPL Nos. 23-20; 28-20; 28-20, Change 1; 28-20, Change 2; and 22-21, ETA strongly encourages states to adopt an array of solutions and techniques to detect and fight fraud, to have robust strategies in place to verify the identity of individuals applying for unemployment benefits, and to strengthen efforts to recover overpayments, including fraudulently paid UC. In UIPL Nos. 28-20, Change 2, and 22-21, the Department specifically called out the importance of NIST-compliant identity proofing and strongly encouraged all states to implement IAL2 and AAL2 identity proofing before claimants start filling out the UI claims applications and when re-accessing their accounts. IAL2 and AAL2 standards are recommended for UC programs due to the personally identifiable information (PII) collected from individuals and employers in processing claims. States are also reminded of the required administrative procedures when processing claims and determining UI eligibility in cases where an individual’s identity is questioned, as discussed in UIPL No. 16-21.

On March 11, 2021, ARPA (Public Law (Pub. L.) 117-2) was enacted. Section 9032, ARPA, creates a new Section 2118 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. 116-136) and provides for a \$2,000,000,000 appropriation to the Secretary of Labor to detect and prevent fraud, to promote equitable access, and to ensure timely payment of benefits to eligible workers with respect to UC programs. ETA is committed to supporting states by providing funding and investing in the most innovative and successful tools and resources to stay ahead of fraud schemes, which includes providing states with options to access NIST-compliant identity proofing and authentication solutions. On June 7, 2021, the Department issued a Request for Quotation to solicit vendors capable of providing NIST-compliant IAL2 and AAL2 identity proofing services, which included stringent service level, business performance, and equity requirements. On July 12, 2021, the Department issued multiple award BPAs to provide a procurement vehicle to meet identity proofing needs.

4. **Ordering and Funding.** The ARPA UI Identity Proofing BPAs were competitively awarded through the General Services Administration (GSA) Multiple Award Schedule (MAS) program in accordance with Federal Acquisition Regulation (FAR) 8.405-3. The Department-awarded BPAs provide a procurement vehicle to obtain critical identity proofing services. This vehicle consists of multiple award BPAs intended to streamline the ordering process for administering UC programs that have identity proofing procurement needs. The BPAs were awarded to three vendors, referred to as BPA holders. They are: LexisNexis, V3Gate, and TransUnion.
 - a. **Ordering Identity Proofing Services Using the BPAs.** The Department developed resources to provide states with procedures to establish orders against the BPAs. States interested in participating in the Department-awarded BPAs can review the State BPA Ordering Guide, Roles and Responsibilities of States, Funding Attestation Template,

and the FAQ document available on the ARPA and UC Featured Content of the UI Community of Practice (CoP) on WorkforceGPS or directly [here](#) (a password is required to access the UI CoP). The requesting state's representative will work closely with Department personnel to take the necessary steps to establish orders against the BPAs. The Department created templates and samples of the required procurement documents and Department personnel are available to assist states in completing these documents.

- b. **Funding to Support Identity Proofing Services.** UIPL Nos. 28-20, Change 2, and 22-21, provide states with funding to combat fraud and allow states to use these funds to procure, implement, and pay reoccurring subscription costs and/or ongoing maintenance costs for NIST-compliant IAL2 and AAL2 solutions, including when the state is ordering against the Department's BPAs as a procurement vehicle to obtain identity proofing services. States may use the funding provided in the above listed UIPLs and may use other Federal grant funds available for this purpose to pay for costs associated with identity proofing services. As part of the process for ordering under the Department's BPAs, the Department will review all funding sources proposed by a state on the Funding Attestation Template to ensure compliance with Federal law, as applicable.

5. **Inquiries.** Please direct inquiries to covid-19@dol.gov with a copy to the appropriate ETA Regional Office.

6. **References.**

- American Rescue Plan Act of 2021 (ARPA), including Title IX, Subtitle A, Crisis Support for Unemployed Workers (Pub. L. 117-2);
- 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://wdr.doleta.gov/directives/corr_doc.cfm?docn=4240;
- UIPL No. 16-21, *Identity Verification for Unemployment Insurance (UI) Claims*, issued April 13, 2021, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9141;
- UIPL No. 14-21, Change 1, *State Responsibilities After the Temporary Unemployment Benefit Programs under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as amended, End Due to State Termination of Administration or When the Programs Expire*, issued July 12, 2021, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9502;
- UIPL No. 14-21, *American Rescue Plan Act of 2021(ARPA) - Key Unemployment Insurance (UI) Provisions*, issued March 15, 2021, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5669;
- 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://wdr.doleta.gov/directives/corr_doc.cfm?docn=7207;

- 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://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9897;
- 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://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8044; and
- 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://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=4621.

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