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**DIRECTIVE : UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 18-88**

**TO : ALL REGIONAL ADMINISTRATORS**

**FROM : DONALD J. KULICK**  
**Administrator**  
**for Regional Management**

**SUBJECT : Recommendations to Promote Consistency in the Monitoring of Quality Control (QC) Case Files**

1. **Purpose.** To provide SESAs with the general guidelines use Regional office monitors in assessing the adequacy of QC case investigations.
2. **Reference.** ET Handbook No. 396, Unemployment Insurance Quality control (UI/QC) Monitoring Handbook
3. **Background.** The Department of Labor is committed to sharing information about its UI/QC monitoring program with the State Employment Security Agencies (SESAs). To this end, copies of ET Handbook No. 396, Unemployment Insurance Quality Control (UI/QC) Monitoring Handbook, developed for use by the Regional Offices' QC staff, were also given to the SESAs so that they would be aware of what the Regional Office QC staff would be responsible for in their oversight role. Since the issuance of this handbook, some inconsistencies have been identified among Regional offices in the adherence to the method of recording exceptions. To reduce these inconsistencies, additional guidelines to clarify standard monitoring practices have been established and issued to the Regional Offices' QC staff. The contents of the Federal directive issued to the Regional office is being provided to SESAs so that the SESAs will be aware of evolving Federal guidelines.
4. **Necessity of proper and accurate recording of exceptions.** One of the primary Federal roles in the QC program is to promote QC data integrity by monitoring SESA administration of QC operations. It is Federal responsibility in

the Federal/State UI partnership to oversee SESA administration of the QC program to ensure the program is operated in accordance with QC methodology and that the data generated by the QC process has been properly gathered and accurately coded. In order to achieve the monitoring goals, three Federal monitoring objectives have been established:

1. Objectively and uniformly assess whether each SESA is adhering to QC methodology;
2. Work with SESAs to encourage correction of QC operational inadequacies revealed during the assessment;
3. Work with SESAs to correct errors in the QC data base that are found during monitoring.

The proper and accurate recording by Federal staff of exceptions to QC methodology provides a picture of the relative adequacy of SESA QC case investigation. This is the objective basis for assessing adherence of each SESA to QC investigative methodology. Maximum effort must be made to insure consistency among Regional and National monitors in case review.

Exception data may provide information regarding the adequacy of staff to fulfill the QC workload. If exceptions are properly recorded by Regional Office staff (reinforced by National Office re-review), both State and Regional Administrators can determine the relative strengths and weaknesses of SESA QC investigations, and focus resources on appropriate staff training, development, and program improvements. On the other hand, if exceptions are not accurately identified and properly recorded, and consequently SESA QC investigations appear adequate, a State Administrator (and Federal UI management) can justifiably, but erroneously, conclude that SESA staff resources are sufficient to perform the work in a timely and accurate fashion. If more accurate monitoring reveals a high level of deficiencies, it might be concluded that staff resources need developing to do a better job. The same premise can be applied to oversight of Regional Office monitoring by National Office Staff conducting re-reviews.

Another reason for accurate recording of exceptions is not just to identify a single error, but to determine the frequency and magnitude of specific investigative errors and to determine subsequent improvement, or lack of improvement, in these problem areas. It is only through the systematic recording, accumulation, and analysis of exceptions data by both Regional Office and National Office monitors that this goal can be accomplished.

5. **Exception Coding Clarifications.** Based on the re-reviews conducted to this point, and discussions with Regional Office QC staff, a number of areas of inconsistency have been identified and various policies clarified to rectify inconsistencies. The following specific procedural clarifications have been developed and issued to Regional Offices to insure that all monitors, both in the Regional Office and National Office, apply uniform criteria in recording exceptions.
  - A. Each instance of an expectation should be recorded. The monitor should not stop noting exceptions on the premise that having established the existence of a given problem, further recording of the same error would

be "overkill". To record only a few instances of an exception does not provide baseline data to permit accurate assessment of the degree of improvement in the QC operation over time, and results in the accumulation of unreliable QC monitoring data.

- B. Any question left unanswered and unexplained by an adequate marginal notation should be coded as an exception. Every investigative form used by a QC investigator should be complete with respect to every question. Questions that are not applicable should be answered by entering "NA" to show they were addressed and not simply overlooked. However, multi-part questions that have several parts not answered should be coded as one exception regardless of the number of parts not answered. This refers specifically to questions relating to work history and work search, whether there was one employer or five employers listed with incomplete information. If the information is unknown or not available, an appropriate notation should be made by the investigator. (If the parts that are answered create an issue or discrepancy which needs to be resolved, this would be coded as a separate exception.) Recording these exceptions will give an accurate assessment of the degree to which SESA QC investigators are using the information collected to obtain the most accurate information and as leads to possible issues. The presumed "lack of importance" of an unanswered question should NOT be presumed to justify not recording an exception. Doing so will only lead to inconsistency among monitors.

The fact that missing information in one official QC document is contained elsewhere in the case file is not an acceptable reason for not recording an exception. Only through validating and cross-checking information can a case be considered thoroughly investigated.

- C. Failure to resolve a discrepancy by an investigator should be coded as an exception. Any discrepancy in information gathered by an investigator which could raise an issue should have been explained in a marginal note, or if necessary, should have led to a fact-finding statement. For example, the claimant questionnaire shows a normal hourly wage of \$4.50 on the last job but the claimant states in response to another question on the questionnaire that he/she will not accept less than \$6.00 per hour. If this discrepancy is not addressed by the investigator, the Region should assign it exception code 424-200 - lack of clarification/discrepancy in claimant interview. (There is not enough information to code the exception as an unidentified issue. Action to resolve the discrepancy will result in one of two resolutions - (1) The claimant is willing to accept prevailing wage; (2) The claimant is not willing to change wage demand after being made aware of prevailing wage, resulting in fact-finding to determine claimant's eligibility.)

An example of discrepancy which would not be coded as an exception if not explained is the case where the claimant questionnaire shows a normal hourly wage of \$4.54 on the last job. Claimant states in response to another question of the questionnaire that the lowest acceptable hourly wage is \$4.00. ERP form in file completed by the claimant shows the

lowest acceptable hourly wage is \$3.75. Documentation in the case file established that prevailing wage for claimant's usual occupation is \$4.50 per hour. In this instance, even though a discrepancy exists with respect to lowest acceptable hourly wage, there is no evidence to suggest that the claimant is placing an undue restriction on availability for work.

Discrepancies cannot be resolved by statements in the case summary. This issue is covered in UIPL 52-86, dated August 14, 1986, page 10, No. 16, which states in response to the question, "Is it possible to have the investigator's explanation of why an in-person interview was not conducted only once; not in both questionnaire and in summary?":

A. No. It should occur in both places. Everything in the summary is located elsewhere. Its purpose is to organize and summarize."

- D. Each DCI coding element should stand alone and, if incorrect, should be coded as a separate exception. This will clearly delineate those items which are causing problems for SESA QC units and, if appropriate, force a review at the National Office level in an effort to resolve any problems of data elements coded incorrectly across the country. It should also serve to focus attention in the SESA on the correct coding of data elements.
- E. Incorrect data requested by the, SESA QC investigator should be coded as an exception even though apparently correct information was obtained despite error in requesting the information. For example: The Key Week is week ending 4-25-83; the base period began 1-1-86. The dates entered on the Claimant Questionnaire by the investigator requesting work history were 4-19-87 through 4-25-87 (the beginning and ending dates of the Key Week) rather than 1-1-86 through 4-25-87 (the beginning of the base period through the Key Week ending date).

Additional areas of inconsistency will be addressed as they arise. These procedural guidelines will be incorporated in ET Handbook No. 396 when it is revised.

6. **Other Recommendations to Achieve Monitoring Consistency.** In addition to providing the above clarifications on exceptions coding, it was recommended that Regional Offices take other steps to achieve consistency within each Region. Following are the 4 suggestions, some of which are already being used by some of the Regions:
- . Rotate monitors among the States so that differences among them will become apparent and can be minimized.
  - a. Use a "team monitoring" approach in which several monitors jointly go on-site and can discuss the handling of cases.
  - b. Conduct a "critique session" in the Regional Office to discuss problem areas and findings arising from monitoring trips among monitors.
  - c. Conduct a Regional monitoring workshop in which sample cases are prepared, each monitor reviews the cases and records exceptions, and then compares the results with other monitors to determine areas of inconsistency. In addressing inconsistencies, Regional Offices may also determine that there is a need for further monitor training.

7. **Action Required.** SESAs are requested to share this information with appropriate staff and other interested parties.
8. **Inquiries.** Questions should be directed to the appropriate Regional Office.