

November ALC Unemployment Update



November 20, 2020

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Update on DWS Hotline Staffing

Weekend Work Schedule

- Per ALC's resolution, the DWS hotline is currently open 6 days per week, 10 hours per day.
- Weekend call volume has declined significantly so that staff are underutilized.
- Local office staffing on the weekends has been reduced so that staff will work on average only 1 weekend per month.
- If call volume on the weekend continues to decline, we will move back to 5 days per week staffing by January 1.
- Given the current staffing model was mandated by ALC, we would request an ALC resolution authorizing the above modifications to weekend staffing.



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Update on DWS Hotline Staffing (cont'd)

Holiday Work Schedule

- All offices were closed on Veteran's Day.
- Thanksgiving: DWS offices will be closed Thanksgiving Day, that Friday, and Saturday.
- Christmas: DWS offices will be closed Christmas Eve, Christmas Day and the day after Christmas (Saturday).

Unused Vacation

- TSS will present a proposal this morning for how this issue will be addressed.



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UI & PUA Claims: March - November

2019 Initial UI Claims	61,929
2020 Initial UI Claims	464,928
2020 Initial PUA Claims	251,987
Total 2020 Initial Claims	716,915
2019 UI Disbursements	\$46,791,057
2020 UI Disbursements	\$2,540,579,772
2020 PUA Disbursements	\$290,293,201
Total 2020 UI & PUA Disbursements	\$2,830,872,973



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Identity Theft Fraud Claims

Fraud Claims in 2019	10 (est.)
UI Fraud Claims in 2020	30,669 (6.6%)
PUA Fraud Claims in 2020	1,520 (0.6%)
Total Reported Fraud Claims (UI and PUA)	32,189 (4.5%)
Fraud Claims with Benefits Paid Out	10,843 (1.5%)
Dollar Amount of Fraudulent Benefits Paid Out	\$12,290,804
Amount Recovered	\$1,027,402



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Notes on Fraud Claims

- Identity theft fraud claims are reported by individuals and employers.
- Police reports are filed with local jurisdictions.
- It is difficult to recover overpayments for fictitious claims resulting from identity theft.
- On Sept. 16, Arkansas received a DOL grant totaling \$1,785,000 to combat UI fraud.
- The grant provided funding to support fraud prevention in PUA and PEUC programs.
- DWS Internal Audit and Fraud unit has increased from 9 staff on March 1 to 23 staff as of October 31. Plan is to increase staff to 37 by November 30 and to 45 by end of the year.



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PUA Claims Flagged for Fraud Review

PUA Claims Initially Flagged for Fraud Review	76,078
PUA Claims Released from Fraud Review	<u>17,155</u>
PUA Claims Still Flagged for Fraud Review	58,923



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Notes on Suspicious PUA Claims

- These suspicious claims are separate from reported fraud claims for identity theft.
- While we cannot publicly discuss our fraud detection measures, all of these claims have been flagged by our fraud algorithms.
- Resolving questions concerning identity is the factor that impacts clearing these suspicious claims.
- We are implementing an automated ID solution called Identity Proofing that we hope will increase resolution of these claims.



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UI & PUA Claims Pending in Adjudication

- Claims issues resolved through adjudication as of October 31, 2020 are 3 times the number for the same period in 2019:
 - March 1 - October 31, 2019 – 45,698 claims issues resolved
 - March 1 - October 31, 2020 – 134,106 claims issues resolved
- The increased volume has resulted in a 14-15 week determination period compared to 2-5 weeks prior to the pandemic.



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UI & PUA Claims Pending in Adjudication

Claims Pending 0-29 Days	6,162
Claims Pending 30-60 Days	8,386
Claims Pending 61-90 Days	8,275
Claims Pending More Than 90 Days	<u>3,364</u>
Total Claims Pending in Adjudication	26,187
Appeals Pending	7,294



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Notes on Pending Claims

- Claims are pending in adjudication primarily because of questions surrounding a claimant's separation from employment, such as voluntary quit and discharge. Medical leave and "able and available" are also issues.
- Claim resolution is fact-intensive, necessitating supplemental information from the claimant and the employer.

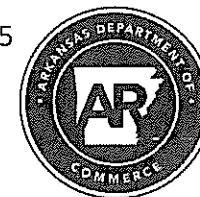


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Notes on Pending Claims (cont'd)

Steps we are taking to address the adjudication and appeals backlog:

- Staffing – Increasing adjudication staff from 26 to 33; positions are being advertised and are expected to be filled by mid-December.
- Call center support – Maximus is providing 25 agents to assist with gathering information necessary to adjudicate a claim; this will relieve DWS staff of these tasks so that they can focus on adjudication decisions.
- Appeals Tribunal staff has increased from 14 to 22; will increase to 25 by Nov. 30 and to 46 by Dec. 31; Board of Review staff has increased from 8 to 15; will increase to 17 by Nov. 30 and to 18 by Dec. 31.



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