



October 11, 2011

Mr. David Ferguson, Executive Secretary
Arkansas Legislative Council
Room 315 State Capitol Building
Little Rock AR 72201

Dear Mr. Ferguson:

Thank you for your letter dated October 7, 2011 in which you requested answers for eight questions that arose during the September 16, 2011 Arkansas Legislative Council meeting. The answers follow:

Q1. How many people are there in Arkansas who have exhausted their unemployment benefits and are still unemployed?

A1. DWS can provide the number of individuals that have exhausted UI benefits, but it does not have data to determine the number of such individuals that remain unemployed. The number of individuals exhausting UI benefits during the last three state fiscal years is as follows:

2009	46,876
2010	68,270
2011	47,993

Q2. On average, how many claims does a DWS employee review per day?

A2. Several individuals are involved in the claim review process and we cannot estimate how many claims any one single worker may touch in a day with any degree of accuracy. However, current workload data used by USDOL establishes that an initial UI claim in Arkansas takes 49.72 minutes to process.

Q3. How does the State of Arkansas compare with surrounding states and the nation on the number of claims that are denied due either to misconduct by the claimant or because the claimant quit?

A3. State-to-state comparison data is not available for benefit determination results. Even if available, comparing state separation determination data is suspect as every state has its own set of UI laws. Arkansas' internal data sources establish that during the last three state fiscal years 90% of all quit determinations were disqualifying and 49% of all discharge separations were disqualifying.

Q4. Over the last five years, what is the number of claims that have been accepted and rejected and the number of appeals won or lost:

A4. Over the last five state fiscal years the number of claims accepted/rejected and the number of appeals won/lost is as follows:

Year	UI Claims Data			UI Appeals Data		
	Claims Filed	Approved	Rejected	Decisions	Won	Lost
2007	205,723	80,648	125,075	11,481	2,937	8,544
2008	213,146	88,299	124,847	11,531	2,961	8,570
2009	328,017	139,756	188,261	13,424	3,431	9,993
2010	276,378	116,333	160,045	16,794	4,347	12,447
2011	233,131	99,061	134,070	18,916	4,427	14,489
Totals	1,256,395	524,097	732,298	72,146	18,103	54,043

Notes:

Claims Filed means the total of all UI Initial Claims filed. *Approved* means the number of UI initial claims that received at least one benefit payment.

Rejected means the number of UI initial claims that did not receive at least one benefit payment. *Decisions* is the number of decisions issued by the Arkansas Appeal Tribunal. *Won* means the number of Tribunal decisions that reversed the DWS determination and *Lost* means the number of Tribunal decisions that affirmed the DWS determination.

DWS and the Arkansas Appeal Tribunal are funded by USDOL but exist separately within Arkansas state government. DWS reports to Artee Williams,

Director and the Tribunal reports to Brad Collins, Interim Chairman of the Arkansas Board of Review.

Q5. What is the Department's policy regarding the handling of deliberately fraudulent claims?

A5. Once it is determined that a claimant has committed fraud, a disqualification from receiving benefits is imposed. The disqualification for initial claim fraud is ten weeks of employment in each of which wages equal to the weekly benefit amount are earned. The disqualification for weekly claim fraud is 13 weeks plus three weeks for each week claimed and any remaining benefits are reduced by 50%. The weekly claim fraud disqualification may be satisfied by claiming weeks of benefits or covered work or a combination of the two.

Beyond the administrative penalties, DWS may prosecute claimants that have committed UI benefit fraud if it constitutes a possible felony conviction. Many such claimants are spared prosecution if they make full restitution; notwithstanding, DWS refers more cases for criminal prosecution than prosecutors are able to prosecute. Currently there are 631 active prosecutions pending statewide.

Q6. What is the percentage of fraudulent claims in which a criminal penalty is assessed?

A6. The percentage of fraudulent claims that were referred to prosecution during the last three fiscal years is as follows:

2009 2726 fraud overpayments were established and 5.1357% were referred for prosecution

2010 2452 fraud overpayments were established and 6.2806% were referred for prosecution

2011 4196 fraud overpayments were established and 3.2173% were referred for prosecution

Q7. How much money has been recouped from restitution for fraudulent claims?

A7. Dollars recouped from restitution for fraudulent claims during the last three fiscal years are as follows:

2009 \$2,008,561

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2010 \$1,823,373

2011 \$1,764,891

Q8. What is the actual dollar amount of overpayments booked for repayment during calendar years 2008, 2009, 2010?

A8. The actual dollar amount of overpayments established during calendar years 2008, 2009, and 2010 is as follows:

2008 \$7,632,783

2009 \$4,750,755

2010 \$9,387,077

Since we have provided fiscal year data in response to the other questions, the dollar amount of overpayments established during the last three fiscal years is as follows:

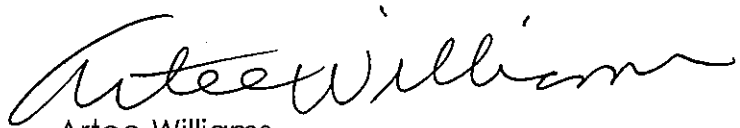
2009 \$6,165,638

2010 \$6,544,793

2011 \$11,071,042

Please let me know if you have additional questions.

Sincerely,



Artee Williams