

Protecting States Against Fraudulent UI Claims During COVID-19 and Beyond

The COVID-19 pandemic left tens of millions of workers across the nation unemployed and desperate to gain access to much-needed resources. In response to this unprecedented crisis, many states relaxed their Unemployment Insurance (UI) program rules to expedite relief, such as beginning payments without verifying proof of employment and allowing contractors and gig economy workers to apply for benefits. The result has been a startling increase in the number of bad actors masquerading as legitimately unemployed individuals – submitting millions of fraudulent claims and collecting over \$36 billion in benefits since last spring. Examples are staggering and widespread:

- Washington State paid \$576 million in fraudulent claims that peaked in early May.
- Virginia caught more than 3,000 fraudulent jobless claims and stopped \$50 million in payments.
- Nevada cited widespread fraud as one reason for a backlog of claims.
- Arizona is still struggling to verify more than 1 million gig-worker claims that might be fraudulent.
- Hawaii also had to pause benefits when it became clear that millions in claims were without merit.
- Maine canceled thousands of suspected fraudulent unemployment claims.
- All 50 states are dealing with fraudulent unemployment claims.

The initial volume of UI and Pandemic Unemployment Assistance (PUA) claims stemming from COVID-19 exceeded states' capacity to process them. Combined with the ongoing volume of weekly claim submissions, states are straining to maintain program integrity.

We are helping with the Maximus Managed Service approach

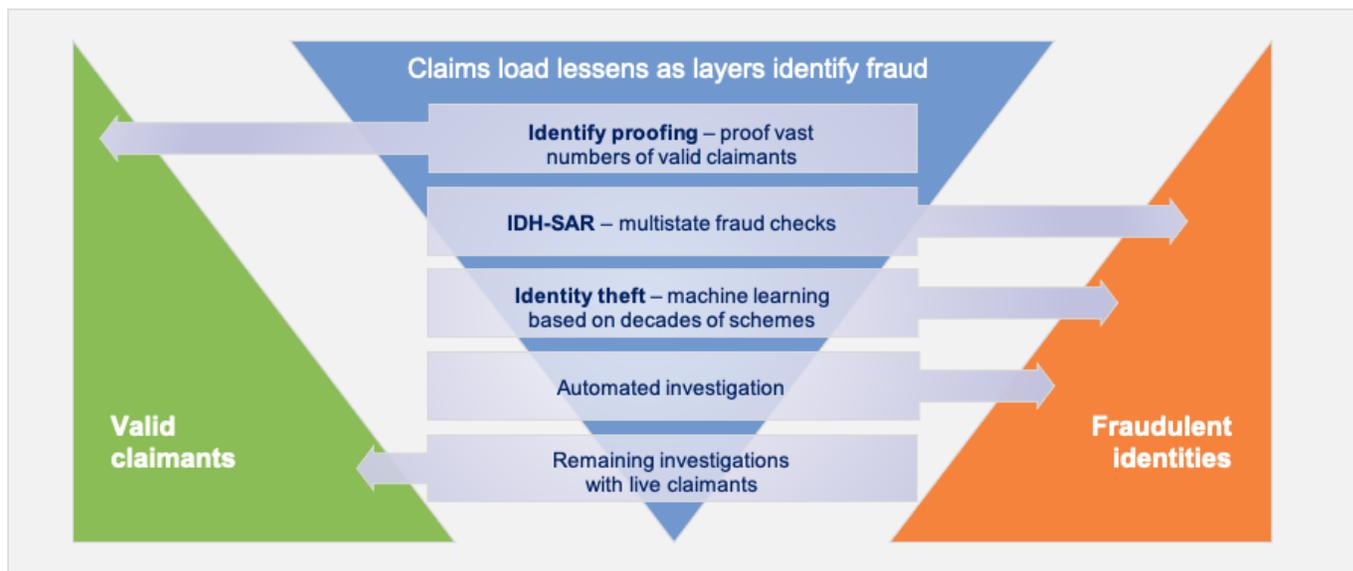
Since March 2020, we've helped 17 states manage their UI programs, providing services across the entire UI lifecycle including fact finding and fraud investigation. Our expertise enables us to provide rapid service delivery and increase your responsiveness to the citizens of your state. We can do more through:

 <p>Claimant Support</p> <p>Helping claimants file or update their claims and answer basic questions</p> <p><i>Virtual support, omni-channel communication, cloud-based technology</i></p>	 <p>Claims Management</p> <p>Fact finding and investigations to support adjudication and appeals processes</p> <p><i>Experienced professionals and Center of Excellence delivery experience in UI process and systems</i></p>	 <p>Program Integrity</p> <p>Reduce/prevent overpayment and maintain or improve federal BTQ and BAM quality standards achieved by states</p> <p><i>Experienced professionals, technology tools and Center of Excellent oversight</i></p>	 <p>Business Process</p> <p>Business process improvement, feasibility and gap analysis for system improvements</p> <p><i>Subject matter experts with experience in UI process and systems</i></p>	 <p>Return to Work</p> <p>Proactive support to claimants to help navigate existing state resources; virtual support to divert AJC volume</p> <p><i>Virtual navigators, coaching support, and omni-channel communication</i></p>
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Services designed to combat fraud and waste

The Maximus Managed Service approach includes a suite of services dedicated to preventing UI and PUA claims fraud throughout the lifecycle. Our approach:

- **Supports weekly claims adjudication.** We reduce the likelihood of overpayment by providing adjudication support of weekly flagged claims, including validation of work search.
- **Leverages existing, proven mechanisms.** We conduct child support employer outreach to obtain information regarding layoffs/furloughs proactively and implement our Employer Engagement Platform to handle return-to-work refusals.
- **Supports the benefits payment control (BPC) process.** We reduce the likelihood of overpayment duration by investigating and determining fraudulent activity on claims, conducting data matching on reported earnings, changing the claim status of deceased claimants, and providing verification of unemployment benefits for third parties.
- **Makes timely adjustments to eligibility.** As pandemic return-to-work actions are taken, we improve the speed and precision of eligibility and payment adjustments by extending these adjudication and payment control services.



Interested in learning more?

We're here to help. Let's discuss options for Maximus to augment your program resources to help protect your state against fraudulent UI claims. We're bridging resource gaps so you can focus on serving your citizens with confidence and integrity.