



## Tech Executive Leadership Initiative

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To learn more about this  
project, please visit  
[aspenpolicyhub.com/teli](https://aspenpolicyhub.com/teli).



# National Emergency Unemployment Website Spillway (NEUWS)

Processing unemployment claims more efficiently in  
emergencies while preserving fraud detection

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## PROBLEM

To support workers through the COVID-19 pandemic, Congress passed the \$2.2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020. The Act significantly altered the terms for conventional unemployment assistance and provided assistance to previously ineligible workers through a new category of Pandemic Unemployment Assistance (PUA). As a result, states rushed to update their systems for processing unemployment assistance claims to deliver benefits to newly-eligible workers. Regrettably, states have been overwhelmed by massive demand. As a result, millions of Americans have not received the support they qualify for. These burdens exacerbate the strain unemployment agencies already face due to fluctuating funding. **How might the federal government help states deliver unemployment assistance to people faster as the program and nature of the work change?**



## Tech Executive Leadership Initiative

### ABOUT TELI

This project was completed as part of the pilot Tech Executive Leadership Initiative (TELI), a skills-building initiative to prepare experienced technology leaders to engage effectively with public sector challenges. Each team was given the opportunity to tackle one of two policy challenge prompts. Over the course of eight weeks, the teams conducted research, narrowed their focuses to particular aspects of the prompts, and proposed solutions. Learn more at [aspentechpolicyhub.com/teli](https://aspentechpolicyhub.com/teli).

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## FOCUS

Since Congress passed the CARES Act, the rate of fraudulent unemployment claims using stolen personally identifiable information has risen dramatically. States have employed human adjudicators to validate applications, but this has created a backlog of claims and processing times of ten weeks or longer. Hiring more adjudicators alone is not a sufficient solution; states have neither the budget for new employees nor the need to retain them post-crisis. New hires must also be trained, and even basic training takes at least six months.

## SOLUTIONS

This project proposes the creation and maintenance of a [National Emergency Unemployment Website Spillway \(NEUWS\)](#) protocol to be activated when normal unemployment systems are overwhelmed. NEUWS is a two-pronged approach to process claims faster using automated fraud detection. States would:

1. Hire private ID verification companies to handle increased load during crises (e.g., pandemics and recessions). To encourage this, the federal government could:
  - Provide a list of certified ID verification companies;
  - Negotiate ID verification costs and monitor service quality at the federal level; and
  - Offset some of these ID verification costs.
2. Utilize a centralized database of applicants' IP addresses to assist fraud detection and help prioritize the review of legitimate applicants.
  - Modeled off of the successful Spamhaus "anti-phish" email spam system, this database would aggregate every visit to any state unemployment insurance site.
  - The database would flag the IP addresses of bad actors who generate hundreds of fake applications. Once reviewed, that flag would allow adjudicators to deprioritize the flagged actors and focus on legitimate applicants.

To facilitate NEUWS, this project recommends that the federal government allocate to states:

- \$250M (\$5M per state) to update systems to support third party ID verification and fraud detection; and
- \$250M (\$5 per applicant, up to 50M applicants) to cover the cost of outsourced ID verification when a state's unemployment backlog exceeds 3 weeks.