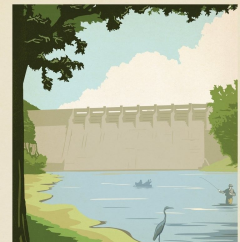


National Emergency Unemployment Website Spillway (NEUWS)

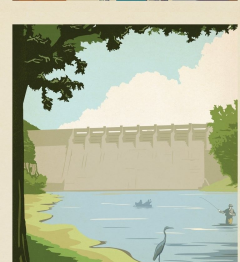
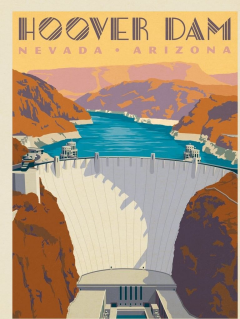
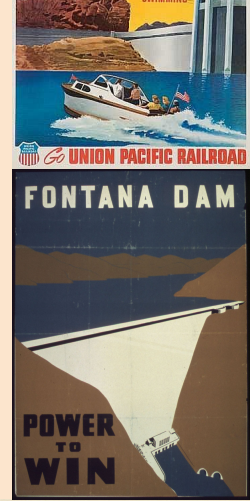
Team Larch:

Marcela Alava, Mark Day, Lia Moeser, Katy Pusch, Leonard
Speiser & Dee Vig



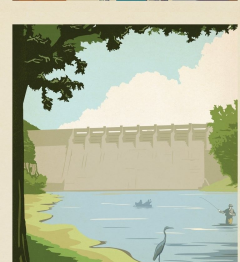
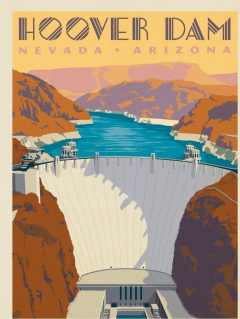
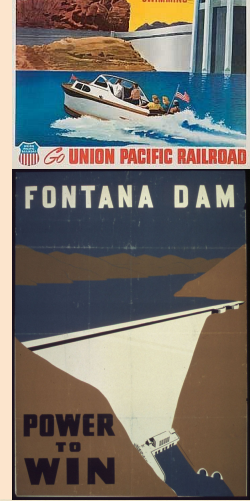
In normal circumstances:

- State unemployment teams can handle a normal volume of claims
- State unemployment teams hire ~300 adjudicators
- State agencies process ~1400 claims per day



During a crisis:

- Unemployment systems get overwhelmed
 - States process 40,000 claims per day
- Verification is less effective due to the existence of non-W2s
- Large-scale fraud attacks bog down adjudicators
- Millions of people do not get their benefits delivered in a timely manner



Our solution:

National Emergency Unemployment Website Spillway (NEUWS)

NEUWS includes:

1. An augmented ID verification system
2. A “Spamhaus”-like database for fraud prevention

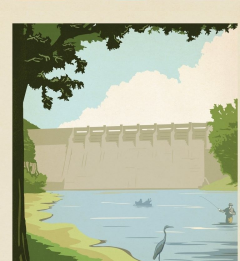
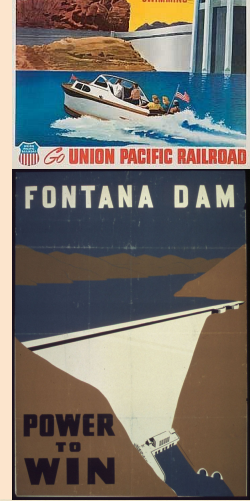
*Spillway: a passage for surplus water from a dam. Spillways ensure that the water does not overflow and damage or destroy the dam.



Augmented ID verification system

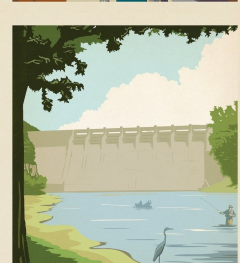
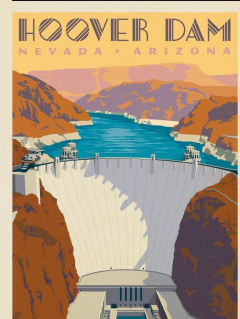
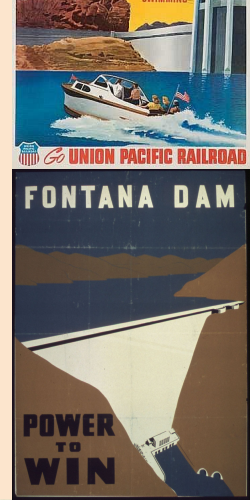
The federal government certifies third-party companies that can provide ID verification services to states.

- Application's ID documents are verified prior to submitting application
- ID verification systems can be customized for each state's needs
- Costs scale with size of crisis and number of applicants, and can be turned on/off as needed



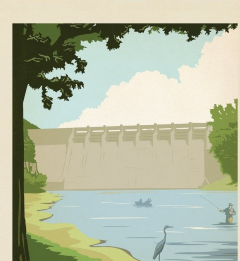
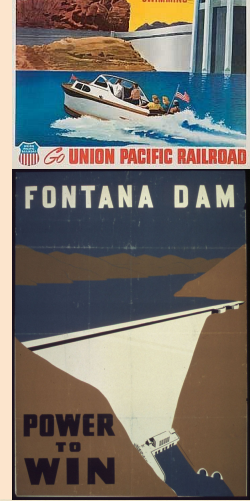
“Spamhaus” Database for Fraud Prevention

- Spamhaus is the most successful anti-phishing email system
- With this system, every visit to a state UI site (i.e. IP address) would be collected centrally
- Applications from suspicious IPs would be put to the “bottom” of a pile

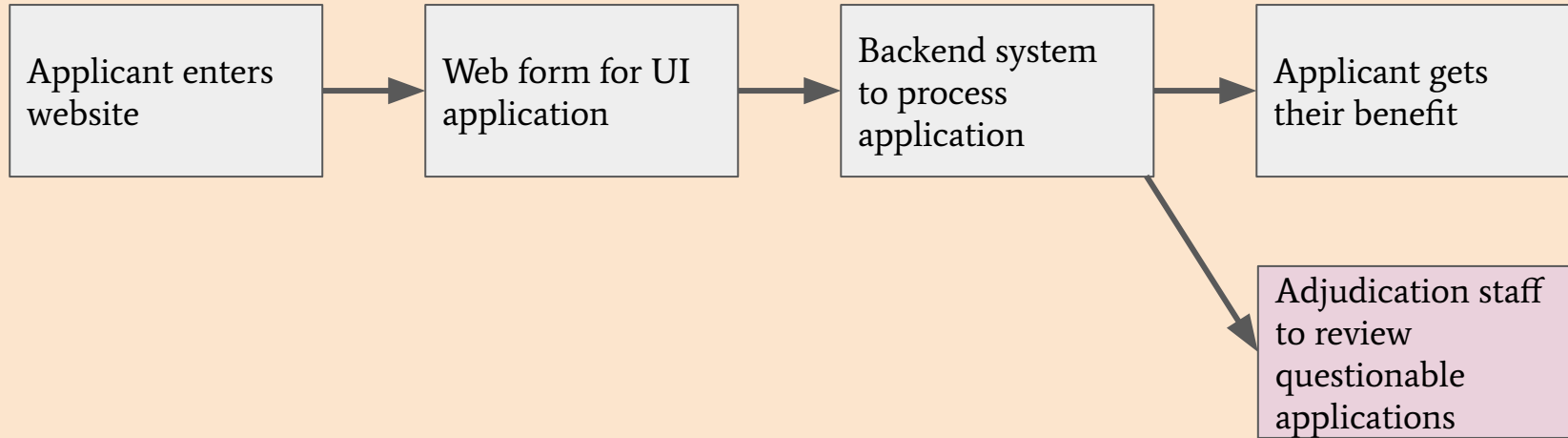


Alternatives to NEUWS:

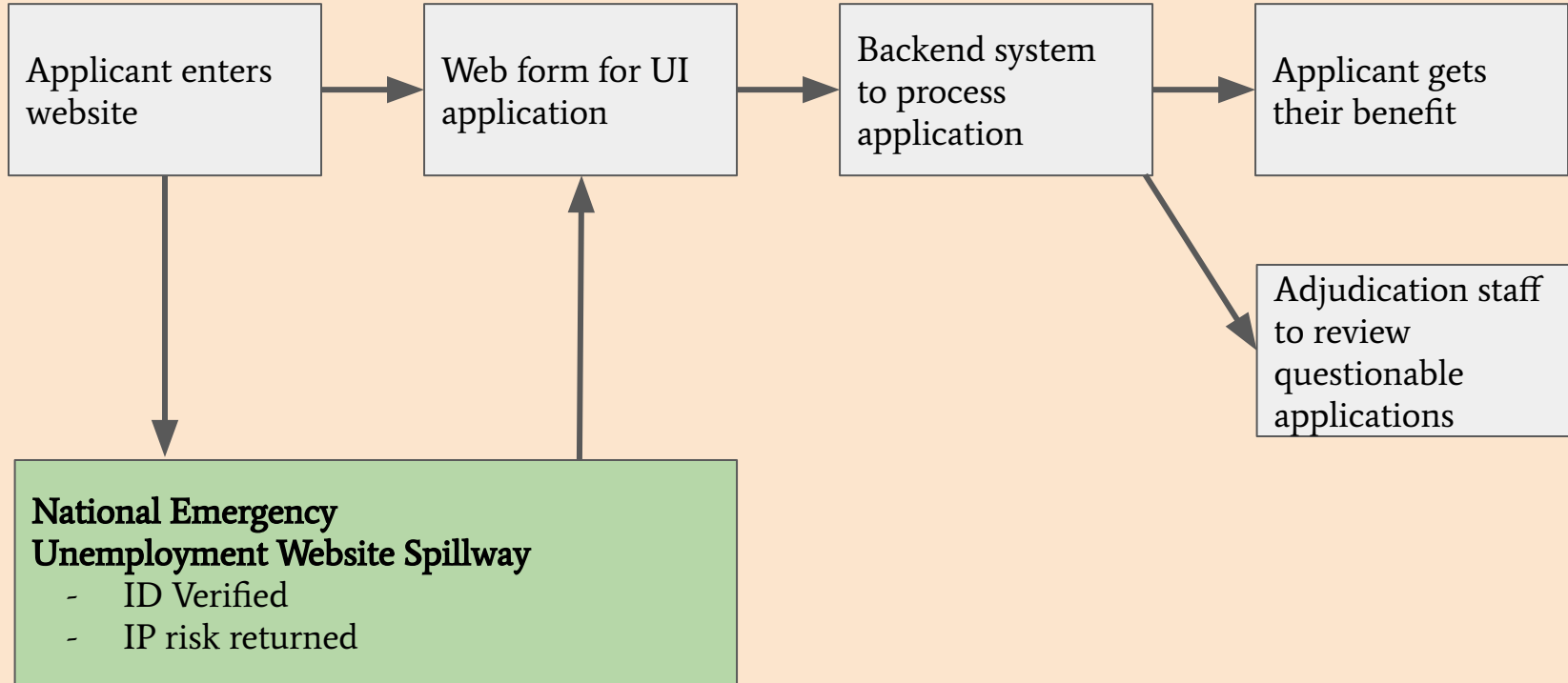
- *Do Nothing:* This would mean that millions will not have UI support, and the economy will fail.
- *Increase UI staffing:* This is not effective outside of a crisis, as it takes too long to hire and train new UI staff and creates perpetual budget strain.
- *Centralize all systems for states:* A central system would have significantly more requirements and would still benefit from a spillway.



Current State System



Current State System + NEUWS



Our Ask

Establish Spillway

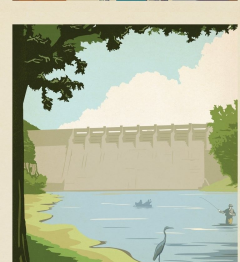
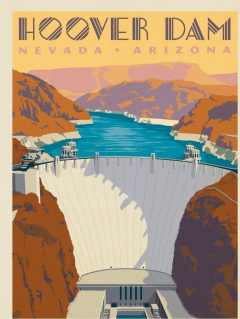
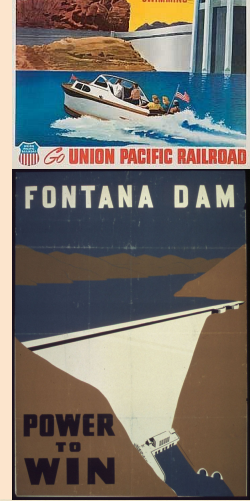
Up To \$250M
Grants To States

**Run
Spillway**

\$250M
Emergency Fund

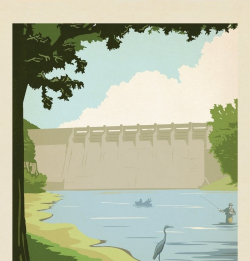
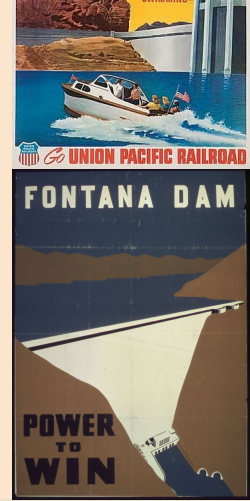
Metrics and Success Criteria

- Reduce the duration from initial UI claim to payment to **less than three weeks**
- Reduce the number of backlogged claimants to **almost zero**
- Reduce the duration of backlogged claimants to **almost zero days**
- Reduce the percentage of fraudulent claims



NEUWS will:

- Get **people** their **benefits** faster
- Allow our **economy** to get on track **more quickly**



Appendix

FAQs

How fast could claims be processed with this system?

- We believe that with this system 90% of valid claims can be processed and paid in <3 weeks.

How much volume can your solution handle?

- Third-party ID verification systems are cloud-based (for example, ID.me runs on AWS). So essentially, the automated ID verification capacity is unbounded.

Why not change the backend systems?

- Half of the states have very antiquated benefits systems (10-30 years old) that are challenging to change. The front-end system, however, is usually less than 10 years old, which provides an easier way to divert people at that step to a solution that will address the overflow.

FAQs

Has this been tried before?

- Not at this scale. Some states such as California have partnered with ID.me and have seen an improvement in UI processing.

What risk is there in adopting this approach?

- The estimated impact of this proposal is an estimate. The actual impact will depend on successful implementation.
- There is some perceived risk in leveraging the same third party identity verification processor for every state. It might be ideal to consider multiple vendor options.

What risk is there of doing nothing?

- Excess consumer burden to the tune of \$112.6 billion, at a time when our economic stability is already at risk.

FAQs

What will happen to existing claims that are partially processed?

- This decision is deferred to the individual state agencies, who understand their processes in depth and can advise whether passing off partially processed claims to a third party would aid or hinder efficiency for those claimants.

How long would it take to implement this solution?

- According to our research, some states like Georgia & Florida, have been able to get ID verification outsourced in 48 hours (with a manual backend process). California was able to soft launch an integrated solution in ~6 weeks.

From whom are you asking for money? And where should the funds come from?

- We are requested that the president issue an executive order so that \$500M is funded for NEUWS or the Department of Labor allocates \$500M of its budget towards NEUWS.

FAQs

What if the states don't have the resources/time to implement this solution?

- This funding is intended to provide the resources to implement the solution. States don't have time NOT to implement this solution.

Are there any fraud/privacy concerns?

- Since we are collecting and using personal data, we will obtain the user's consent prior to collecting and using their data. We will require our service provider to adhere to industry best practices on security (ID.me, for example, is federal & FIPS certified).

What is the anticipated time savings with this solution?

- We anticipate that benefit payments to a majority of applicants who go through manual adjudication today will drop from 5+ months to less than 1 month.

FAQs

Can IP addresses be tricked?

- Many common hacks like using VPNs and AWS are known and detectable. But fighting hackers is never ending. Also, we are focused on big offenders, not five people sharing one IP in a home.

What percentage of applications do you expect to be delayed without your solution?

- Based on CA EDD's strike team report, 40% of total UI claims require manual adjudication and 78% of those are due to ID verification.

FAQs

If you had to choose only one, the ID or the IP, which?

- We would focus on the ID authentication. This is a known problem, causing significant delays for legitimate claimants. By leveraging a third-party vendor to authenticate claimants during times of crisis, human adjudicator queues can be kept manageable and backlogs/ delays avoided. The ID portion of the “spillway” can be implemented even if a particular state hasn’t modernized their backend systems.

How long would it take to implement?

- From 48 hours to six weeks depending on the level of integration, state resources available, desire to contract out, and state of legacy system.

FAQs

Can this be rolled out incrementally?

- Yes, states can choose to apply when ready; however, we recommend that states prepare in advance of a crisis. Recessions, fraud, and unanticipated spikes will continue to occur. Fixing just the front end can take as little as 48 hours with a full verification offloaded via the spillway to a third party.

Who is your main “customer” / “user”?

- Our primary customer is the claimant, who will leverage the third party vendor to authenticate their identification definitively before being redirected to the state’s unemployment website. Human adjudicators are also major beneficiaries, given that this “spillway” will reduce their workloads during surge and crisis times.