

**Performance Audit
Fraud and Investigation Activities
Unemployment Insurance Agency
Project 186-0320-22**

FINDING 1

Fraud Penalties not Accurately Assessed

AGENCY PRELIMINARY RESPONSE

UIA partially agrees.

With respect to the specific elements of this finding, it UIA agrees that during a historic global pandemic there were opportunities for improvement, just as there were also emergent demands for new systems and processes.

This audit identifies shortcomings at the Agency which occurred more than three years ago; many of which were first documented in an external report released in November 2020. Some of these shortcomings were again documented in an OAG report from January 2023. As noted in the UIA's response to Finding 1 from that report, the aging computer system has presented tremendous challenges to the UIA, to Michigan businesses, and to workers who depend on the UI system.

In addition, the response provided for Finding 1 from the January 2023 audit regarding fraud penalties on claims where intentional misrepresentation was determined remains applicable here. For unemployment compensation benefit programs other than CARES Act claims, when UIA received conflicting information regarding a material fact, the Michigan Integrated Data Automated System (MiDAS) was programmed to allow for a stop payment indicator to be applied and an applicable nonmonetary issue to be created that established overpayments and fraud penalties, if applicable. It would also send a fact-finding questionnaire to resolve the conflict and potential intentional misrepresentation.

MiDAS was not programmed to allow it to do the same for issues unique to CARES Act claims, and MiDAS could only adjudicate fraud on CARES Act claims where the issue type was remuneration, whether the worker was employed full-time or not unemployed, available, or able to work. These are the cases in the selected sample where fraud determinations are reflected on CARES Act claims. Because MiDAS was not programmed to allow the UIA to adjudicate intentional misrepresentation based on, for example, issues related to PUA eligibility on these claims (e.g., claimant submitted false documents and made false statements concerning PUA eligibility), MiDAS also lacked the programming to impose fraud penalties on related overpayments, consistent with MCL 421.54(b), and [UIPL 20-21](#), Change 1.

With respect to the specific elements of this finding, we have the following responses:

- a. We agree. UIA has not yet programmed MiDAS to allow for the requisite fraud penalties on CARES Act UC programs including PUA, PEUC and PUC.
- b. We agree. UIA has not yet programmed MiDAS to allow for the requisite fraud penalties on CARES Act UC programs including PUA, PEUC and PUC.

For the better part of the last year UIA's Agency Services team has been working in partnership with the Department of Technology, Management and Budget, as well as developers from its present vendor to make system changes consistent with an Injunctive Order stemming from current litigation, and that the necessary system changes to halt collection activities impacted more than 1.8 million claimants.

Despite the significant lift associated with this Order, UIA has submitted an IT Solution Request (June 2022) to address the issues raised by the OAG. The initial research has been done, and the SQR is currently going through a legal review and is expected to be implemented upon completion of review within two months' time. In previous audits of its performance during the pandemic period we have explicitly documented the impact an

aging system and vendor dependence has had on its ability to respond efficiently and effectively to necessary system changes.

In May of 2022, the Michigan Office of the Auditor General (OAG) completed an audit of the MiDAS and Michigan Web Account Manager (MIWAM) systems, shedding light on the significant challenges presented by the existing UIA database especially as it relates to necessary system changes. The agency is hampered by an inability to implement changes quickly and efficiently to systems and processes. It is for this very reason that it issued a Request for Proposals (RFP) to replace the existing database, and that this change is necessary to ensure that UIA has the best technology solution available when serving Michigan workers and businesses. On November 15, 2022, UIA announced it has chosen a new contractor to design and install a modern, innovative, user-focused unemployment insurance computer system to replace MiDAS that prioritizes ease of access for workers and employers while also streamlining jobless claims processing. The new system will replace MiDAS, first put into use nearly a decade ago under former Gov. Rick Snyder. Staff across the UIA are currently engaged in requirements and design sessions necessary to implement the new system.

The pandemic introduced a marked increase in the number of remuneration and not unemployed cases open for investigation - cases where intentional misrepresentation is often found when an overpayment is established. These matters pertain to regular state claims for unemployment benefits drawn from the Michigan Trust Fund paid for by taxes imposed on Michigan employers; whereas CARES Act claims were not paid for by taxes imposed on Michigan employers. For example, in calendar year 2018 and 2019, a total of 4,506 and 7,782 cases were opened for investigation, respectively, with determinations issued establishing \$36,756 and \$372,250 in fraud penalties. Contrast that with calendar year 2022, and calendar year-to-date 2023, where a total of 14,899 and 30,938 cases were opened for investigation, respectively, with determinations issued establishing \$3,941,645 and \$12,474,874 in fraud penalties.

This significant increase is largely attributed to the UIA's approach the last two years of delivering on fast, fair, and fraud-free service. Michigan instituted further best practices from the additional federal funding received over the last two years, including running crossmatches against other state or federal government databases to verify documentation or information supplied to it by claimants or employers and enhancements to reasonable attempts which has had a profound impact on employer responses to fact-findings.

FINDING 2

ID Theft and Repayment Claims

AGENCY PRELIMINARY RESPONSE

UIA partially agrees. UIA acknowledges that its Investigations Division's efforts to identify who submitted fraudulent claims often ran into dead ends when the perpetrators involved international criminal rings, syndicate organizations and state sponsored groups. Accordingly, UIA implemented the practice of immediately providing DOL-OIG all claims information so that they may pursue these claims as part of their continued efforts. Included as part of the submission of claims data to the DOL-OIG were claims flagged as potentially fraudulent. In essence, the DOL-OIG has received all the fraudulent claims and could perform any additional investigative procedures to identify imposters who commit identity theft. The UIA recently sent a formal referral letter to the DOL-OIG reminding them of the mutually shared case tracker with the UIA as well as a list of the referred cases should the DOL-OIG seek additional prosecution opportunities.

With respect to the specific elements of this finding:

- a. UIA agrees. LEO/UIA acknowledges that had there not been a sequencing error introduced as a result of programming changes made to the proprietary Fraud Manager program and other fraud mitigation systems during system development for the new pandemic assistance programs, these fraudulent claims would have been flagged at claim filing, prior to initial payment, by Fraud Manager or other fraud prevention tools.

On December 29, 2021, Governor Whitmer issued Executive Directive 2021-14 on *Preventing unemployment insurance fraud*. Within the Executive Directive, the order was given that LEO/UIA will consistently use Fraud Manager, or similar technology, and must not suspend its use for any reason without prior approval from the Director of the Department of Labor and Economic Opportunity.

- b. UIA agrees. LEO/UIA acknowledges that the 11 claims met the UIPL criteria but did not meet the thresholds communicated by the DOL-OIG. Going forward, LEO/UIA will refer matters to the DOL- OIG that exceed the \$10,000 threshold. This protocol is currently in place. As reported in the most recent written report submitted to the Michigan Legislature regarding claims submitted by imposters, LEO/UIA permitted \$6,537 of benefits to be paid to imposters in 2022. Total benefits paid in 2022 were approximately \$628 million."

While UIPL No. 04-17 and then Change 1 requires states to refer potential fraud to the DOL-OIG when the suspected fraud exceeds \$10,000 or involves multiple claimants, these thresholds were not modified for unprecedented claim filing levels experienced because of the worldwide pandemic. By intentionally selecting 5 specific claims for examination in this audit, from a population of repayment claims, the sample is not a true reflection of average intentional misrepresentation cases, because these cases were already identified as being fraudulently made by criminal syndicates and international crime organizations. Many of these matters can be directly attributed to United States Secret Service Global Investigative Operations Center (GIOC), May 14, 2020, GIOC reference #20-027-1 which alerted the Department of Labor and State Workforce Agencies to massive fraud against state unemployment insurance programs, predominately carried out by a Nigerian fraud ring called Scattered Canary. UIA continues to work to pursue bad actors and those who defrauded Michigan workers and businesses, by prioritizing cases in a manner that optimizes resources.

In the face of the global pandemic, politicians and advocates called on the Agency to quickly get benefits to the millions of Michigan workers thrust into unemployment. As a result, the Agency's claims processing system was not programmed to administratively adjudicate intentional misrepresentation issues unique to federal CARES Act claims (e.g., fraud associated with pandemic unemployment assistance eligibility), which would have slowed down that effort. At its peak, 77 times more weekly

claims were filed with the Agency than were filed in an average pre-pandemic week, stretching capacity thin as UIA personnel urgently implemented new programs created by Congress to support workers. Confusing, shifting federal guidelines and a dysfunctional technology system only exacerbated this underlying reality.

Despite those significant challenges and limitations, the Agency today continues to pursue criminals who defrauded workers, businesses, and the UI system in 2020 and continues to deliver justice. UIA has worked closely with law enforcement to bring charges against 162 people accused of stealing money. Recently, the UIA received national recognition for helping take down a national fraud ring. Whether the accused worked for the Agency or filed a fraudulent claim using a stolen identity, bad actors were – and will be – brought to justice. Further, as part of the referral process and working with its federal law enforcement partners, leveraging its relationships with financial institutions, the UIA has been able to recover \$90.6 million dollars to-date.

Many of the headaches and shortcomings that arose in 2020 were because of the outdated computer system. Updating this is a major priority of the Agency. The current system was put in place over a decade ago and was not remotely prepared to handle the massive influx of claims during the pandemic, nor the changes that needed to be regularly and immediately implemented. 2010 technology was not well-suited to meet 2020 challenges. This year, UIA began the work of entirely replacing that dated computer system, which has caused scores of issues for claimants, businesses, and Agency employees alike. As the UIA builds a new system, it is ensuring that it will not only be more user-focused but will allow the Agency to easily access data and implement any changes swiftly and as needed.

As reported in the June 30, 2023, Pandemic Response Oversight Plan from the U.S. Department of Labor Office of Inspector General (DOL-OIG), the current indication is that over \$76 billion of unemployment benefits were likely paid nationally to fraudsters. This information had been previously discussed in “The Greatest Theft of American Tax Dollars: Unchecked Unemployment Fraud,” Hearing, in a Statement for the Record of Larry D. Turner, Inspector General, U.S. Department of Labor; House Committee on Ways and Means (February 8, 2023), available at: <https://www.oig.dol.gov/public/testimony/02082023.pdf>.

As reported in a third-party report released in December 2021, for claims filed in Michigan between March 1, 2020, and October 1, 2021, an estimated \$2.7-\$2.8 billion was paid to claims involving likely imposter fraud. It was also reported that the over 99.54% of the imposter fraud in Michigan occurred during the first 90 days of the pandemic. As noted in an initial third-party report released in November 2020, there was a sequencing error introduced by a system developer, from April 5, 2020, until May 19, 2020, which made it possible for a claim to be filed, certified, and a first payment made on the day it was filed before Fraud Manager could process the claim to determine whether there was a need for further review. In the December 2021 report, it is noted that 0.46% of benefits paid between October 3, 2020, and September 30, 2021, involved likely imposter fraud.

LEO/UIA acknowledges that mistakes were made during the onset of the pandemic that impacted program integrity. With the desire to assist with claims processing and data analytics, the entire Investigations Division was moved to other parts of the Agency beginning on March 28, 2020. There ceased to be an Investigations Division until May 22, 2020, when a limited number of employees were returned to the Investigations Division. Those employees were supplemented by a Fraud Advisor in June 2020, and then complemented with Deloitte professionals beginning in July 2020. The Investigations Division was fully restored in January 2021, and given 30 additional limited-term staff at that time.

As of October 2023, the Investigations Division acquired a total of nearly 50 limited-term employees through at least June 2024 to assist its permanent staff in reviewing and closing identity theft cases needing work since the height of the pandemic and in timely reviewing the persistent high volume of new intentional misrepresentation cases associated with newly filed claims. Staff will also verify overpayments on pandemic

unemployment assistance claims and seek restitution. The funding for many of these positions was made possible through the award of a \$2.6 million Integrity Grant from the US Department of Labor on September 13, 2023, and that grant will also develop and maintain a dashboard within the Agency's system to enhance its reporting capabilities.

To date, LEO/UIA has directly referred 239 matters to the DOL-OIG which has resulted in over 162 individuals being charged or sentenced. Many more matters are pending from referrals made to the DOL-OIG.

During the pandemic assistance period and presently, the DOL-OIG is focused on very specific matters given the finite resources available to combat the over \$76 billion of unemployment benefits that were likely paid nationally to fraudsters. For referrals from LEO/UIA, matters must exceed \$250,000 or there are other extemporaneous circumstances such as matters involving internal employees. As the DOL-OIG noted in a September 22, 2022, release ([Press Release \(dol.gov\)](#)), the DOL-OIG is focusing on large-scale identity theft schemes involving multiple victims and organized-criminal groups, including street gangs. The DOL-OIG has opened more than 190,000 investigative matters related to UI fraud, an increase of more than 1,000 times in the volume of the DOL-OIG's UI work. Even with the hiring of additional criminal investigators, there are less than 140 DOL-OIG criminal investigators across the entire country.

This month the head of UIAs Fraud and Investigations Division, as well as UIA's Legal Advisor who is the head of UIA's Legal and Compliance Bureau participated in the National Association of State Workforce Agencies (NASWA) 2023 Unemployment Insurance Integrity Symposium. While there the DOL-OIG emphasized that while it continues to pursue bad actors, the resources are limited, and they rely on state workforce agencies to discern which cases to refer. At the same conference, representatives for the DOL-OIG further stated that in the instance of cases with a value of less than \$100,000 the OIG would likely direct state workforce agencies to refer them elsewhere.

Both during the pandemic assistance period and presently, members of the UIA's Investigations Division regularly partner with the DOL-OIG. Together they have presented and participated in panels specifically focused on three themes:

1. Addressing identity theft within the unemployment program;
2. Conducting effective investigations; and
3. Collaborating and using data to identify and prioritize investigations.

In 2022, the Deputy Inspector General for the DOL-OIG had the Administrator of the Investigations Division lead training for DOL-OIG Special Agents which focused on the effectiveness of using data to identify internal threats and preparing reports for referral to the DOL-OIG.

In sec. 301 of [2022 PA 61](#), the state legislature allocated \$4,070,000 to the Department of Attorney General beginning in fiscal year ending September 30, 2022, "to employ attorneys and support staff to investigate and prosecute unemployment fraud in Michigan" with a tentative September 30, 2026, completion date. This was consistent with [EO 2021-16](#) (creating the Unemployment Insurance Fraud Response Team) and [ED 2021-14](#) (prioritizing enforcement of fraud cases). UIA paid the Department of Attorney General another \$1,097,144.40 or an average of \$274,300 annually to combat fraud during fiscal years 2020, 2021, 2022, and 2023. Between January 1, 2020, and December 31, 2022, UIA referred 21 fraud or identity theft cases to the Department of Attorney General for criminal investigation and prosecution and that to date, it referred more than 70 fraud or identity theft cases to the Department of Attorney General for criminal investigation and prosecution.

Following its hiring of a Legal Advisor and Legal & Compliance Bureau Administrator, the UIA and Department of Attorney General's Criminal Investigations and Criminal Trial & Appeals divisions began jointly meeting on a monthly basis in June 2023. As a result of those meetings, those divisions began providing the UIA with case status reports. UIA is seeking to establish a Memorandum of Understanding between the UIA and the Department of Attorney General to investigate and prosecute criminal UIA fraud since before this audit's review period, and that such an agreement will set forth reporting/tracking/metrics,

expectations for communications at key stages of each investigation and prosecution, and the need for Department of Attorney General employees with direct system access to confidential and sensitive UIA data to agree to standards for safeguarding that data. UIA is actively drafting such an agreement to make its expectations of these two divisions of the Department of Attorney General and their expectations of UIA staff clear and ensure that the UIA and DAG are working efficiently and effectively to combat fraud and identity theft.

UIA initiated the development of a criminal referral standard operating procedure in 2023 that sets forth how and when to refer fraud and identity theft cases to either the Department of Attorney General, a local prosecutor, or the DOL-OIG. Later in 2023, UIA began a new project with the Department of Attorney General's Labor Division to use the assistance of two assistant attorneys general to draft criminal fraud investigation reports and issue subpoenas for investigative records, provide training in collecting evidence and drafting more effective investigation reports, and to commence civil lawsuits to pursue restitution and unemployment fraud penalties from claimants and employers.

UIA is establishing new partnerships with criminal law enforcement agencies to audit, investigate, and prosecute fraud being perpetrated by fictitious employers or employers that misclassify workers as independent contractors or report inaccurate information concerning their employees.

While UIA agrees in part that its investigative procedures do not indicate when Regulation Agents should issue subpoenas for bank records or IP address information, as procedures do not establish a threshold or attributes that would require the submission of a subpoena, we consider the extensive training, investigations procedures, and general experience that the Investigations Division and Regulation Agents have enables them to exercise sound discretion. UIA will ensure rationale made by Regulation Agents is documented on a case-by-case basis, and will continue to refine our standard operating procedures to include specific circumstances and procedures for issuing subpoenas for investigative records.

FINDING 3

Improvements Needed to UIA's Claim Data Analysis Procedures

AGENCY PRELIMINARY RESPONSE

UIA partially agrees. During a historic global pandemic there were opportunities for improvement. However, simply repeating identical findings from past audits with no unique new perspectives or recommendations does not advance solutions to the problems presented by the pandemic for UIA, claimants, and businesses. UIA has already implemented nearly every recommendation listed in the finding.

Resolution of the crossmatch issue identified in Finding 8 of OAG's January 2023 report revealed multiple failures of the technical systems and processes and that these failures existed outside of the scope of UIA staff oversight. These failures further highlight the challenges the current MiDAS system presented and continues to present to both UIA and Michigan workers.

In short, 2010 technology was not well-suited to meet 2020 challenges. That's why this year we began the work of entirely replacing our dated computer system that has caused scores of issues for claimants, small businesses, and UIA employees alike. Deloitte will be building a new system, and we are ensuring that it will not only be more user-focused but will allow the agency to easily access data and implement any changes swiftly and as needed.

The OAG appropriately stated that the UIA conducts USDOL mandated activities, and appropriately acknowledged that the UIA also utilizes the strongly recommended Benefit Payment Control (BPC) activities.

The OAG further acknowledged that most of the potentially improper payments occurred at the onset of the COVID-19 pandemic during the time in which UIA had relaxed its fraud prevention controls and paid claims prior to any Fraud Manager screening due to a MiDAS sequencing error.

With respect to the specific elements of this finding:

Regarding incarcerated or deceased individuals, the UIA has completed all SQRs and fully-automated the process where new and continued claims are crossmatched against death and incarceration records.

UIA disagrees with the recommendation to enhance SSA crossmatch to create SSA identity verifications. UIA has an effective identity proofing solution and identity verification procedures.

UIA disagrees with the recommendation to establish an agreement with MDHHS to share data on long-term care facilities. When claimants are in covered employment and experience a separation from employment due to no fault of their own, their place of residence does not have an impact on their eligibility for benefits.

The OAG appropriately noted that the MES Act requires a weekly breakdown of earnings to establish intentional misrepresentation related to unreported wages. However, for instances where contractors and employers did not or do not respond to our inquiries or provide weekly payroll records, we are not able to establish intentional misrepresentation.

It is critical to note that we took measures well beyond internal policy and procedure in attempts to procure weekly breakdown of earnings from contractors. These measures included getting the UIA Director involved as part of extraneous and continuous efforts to get contractors and employers to respond with needed information. Also, for matters involving UIA employees, there are instances where employees have been separated from employment.

Since the pandemic, the number of new fraud cases in Michigan has fallen dramatically. Through a series of reforms, we are successfully identifying new fraud attempts, stopping bad actors in their tracks.

UIA's team of skilled investigators with backgrounds in law enforcement and finance verify identities against national databases, check for suspicious IP addresses, and track questionable payments. Then, these investigators go on the road to collect evidence and build strong cases against bad actors stealing money from Michigan taxpayers.

To date, 162 individuals – both external and former UIA employees – have been charged or arrested in crimes related to unemployment insurance fraud. Nearly 91 individuals have been convicted, 69 have been sentenced.

The UIA recently stopped fraudsters who set up a fictitious business in Michigan hoping to collect on unemployment claims filed in the names of dozens of nonexistent employees. Furthermore, using the agency's robust anti-fraud tools, our staff recently identified more than 10,000 attempted filings made by fraudsters over a three-day period. The UIA thwarted this attack, and no money was paid out.

Other wide-ranging reforms we recently launched to fight fraud include:

- Naming a [Legal Advisor and head of the Legal and Compliance Bureau](#) to leverage collaborative anti-fraud practices to effectively pursue bad actors.
- Creating the UIA Modernization Workgroup – consisting of labor, business, and jobless advocates – to advise us on significant improvements in how it can better serve Michigan workers and employers, including anti-fraud practices.
- Extending through June 2024 nearly 50 limited term positions in the Fraud and Investigations Division, and we have hired at least 30 more.
- Implementing new ethics and security clearance policies for employees and contractors.

As noted above, we are diligently working to eradicate fraud in Michigan. This diligence has been recognized and awarded by the DOL-OIG. Our agency has won four national awards since 2019 from the DOL-OIG for its work investigating fraud cases:

- This year, a UIA regulation agent was honored for bringing down a multi-state criminal enterprise in Florida that stole more than \$250,000 in unemployment benefits in Michigan.
- In 2022, another regulation agent was recognized for a successful investigation that led to the prosecution of a UIA contract employee and two co-conspirators. The three defrauded the State of Michigan and the U.S. government of more than \$3.8 million through false claims submitted during the COVID-19 pandemic.
- In 2019 and 2020, UIA was named by DOL the Most Improved Integrity Program.

When Julia Dale became Director of the Agency in October 2021, she was the 11th UIA Director in as many years. This turnover, a global pandemic, and an aging computer system presented huge challenges for the Agency, for Michigan businesses, and for workers who depend on the UIA.

These challenges didn't come up overnight – nor will the solutions. But we are making major strides in solving them and reshaping the way we interact with the public. Any examination of the ways that criminals victimized the Agency and Michigan workers in 2020 that lacks that important context unfortunately misses the mark.

This audit identifies important shortcomings at the Agency more than three years ago, as policy, technological, and organizational changes increased the Agency's potential exposure to fraud. Many of those shortcomings were first documented in a Deloitte report released November 25, 2020, and further explored in multiple audits and reports over the last three years.

We do not shy from those shortcomings. Since the release of the first Deloitte report in November 2020, the UIA has worked diligently to pursue bad actors and those who defrauded Michigan workers and businesses. We are building the Agency to be better than we were before the global pandemic, a national model for fast, fair, and fraud-free service.

FINDING 4

Improvements Needed to IDs New Hire Cross Matches

AGENCY PRELIMINARY RESPONSE

UIA partially agrees. During a historic global pandemic there were opportunities for improvement. There were also emergent demands for new systems and processes. LEO/UIA acknowledges the significant increase in the volume of leads from the new hire crossmatches due to the implementation of newly created federally funded pandemic programs and acknowledges that nearly half of the matters created during the period of review remained open as of December 31, 2022, averaging 316 days. Additionally, we are required to make reasonable attempts to contact claimants and employers who do not respond to fact finding requests and ***reasonable attempts have been made on each of the matters identified by OAG.***

With respect to the specific elements of this finding:

- a. UIA agrees. Some programming mistakes were made while creating the federal funded pandemic programs. LEO/UIA will continue to work to ensure that all programming requirements for the federally funded pandemic programs are resolved.
- b. UIA disagrees. BPC did not improperly close these matters. The UIA's policy suspended the adjudication of new hire separations. The matters were discarded in accordance with the policy.

Had the UIA policy allowed for adjudication of new hire separations, and had these two matters found the claimants to be ineligible for benefits, the maximum overpayments on these matters would have been \$8 and \$538.

- c. UIA agrees in part. While BPC had not followed up with nonresponsive claimants and an employer, part of the procedures on these matters is to make reasonable attempts to contact claimants and employers who do not respond to fact finding requests. There is a three-year period to adjudicate these matters. Since December 31, 2022, reasonable attempts have since been made on each of these matters.
- d. UIA agrees in part. While a determination was issued of "not ineligible" on the new hire crossmatch issue, these decisions were influenced by both the lack of responses from claimants and employers, and the other issues on these claims that were adjudicated and established an overpayment. A finding of "ineligible" for the new hire crossmatch issue would not have increased the overpayment amount already established on these claims.

This audit identifies some shortcomings at the Agency more than three years ago, as policy, technological, and organizational changes increased the Agency's potential exposure to fraud. However, many of those shortcomings were first documented in a Deloitte report released November 25, 2020, and further explored in multiple audits and reports over the last three years. Since the release of the first Deloitte report in November 2020, UIA has worked diligently to pursue bad actors and those who defrauded Michigan workers and businesses.

We have continued to work expeditiously through these matters and for New Hire Crossmatches and similar crossmatches, we have a three-year period in which to issue a determination. For the average case of 316 days, we still have 779 days as of December 31, 2022, to issue determinations before the statute of limitations period expires. The three-year period for these matters was established prior to the pandemic assistance period and these timeframes were not modified, and no new timeframes were established for unprecedented claim filing levels experienced because of the worldwide pandemic.

To continue to address these matters, we are currently in the process of utilizing funding provided by the U.S. Department of Labor to supplement the current team BPC section with 30 additional limited term hires and it will do everything in our power to resolve all these matters within the three-year period.

We acknowledge that in some instances we had not established metrics related to case processing, including monetary issues, as noted in Observation 2 of the OAG's January 2023 performance audit. However, we disagree with the assertion that this finding is applicable to new hire crossmatches. The BPC section and its team of analysts and managers apply metrics to these matters for prioritization and as an example of metrics utilized, matters with high dollar amounts, matters with responses from claimants and employers, and matters that are approaching the statute of limitations period are prioritized and assigned for resolution.