Halt!
Who Goes There?
Georgia DOL's
Identity Verification
Project

NASCIO 2021 State IT Recognition Awards

Georgia
DOL
DEPARTMENT OF LABOR
Mark Butler, Commissioner

CATEGORY: Business Process Innovations

STATE: Georgia

CONTACT: Lindsey Gardener
(404) 232-7548
lindsey.gardener@gdol.ga.gov

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**PROJECT END DATE:** September 15, 2020

EXECUTIVE SUMMARY

Economic hardships have been as ubiquitous during the COVID-19 pandemic as masks and sanitizers. Too many Georgians have been stung by job losses. Just as in states across the nation, record numbers have sought unemployment insurance. They saw new relief materialize in March 2020 when the federal CARES Act made provision for additional insurance payouts.

Claims stacked up, from legitimate applicants *and* fraudsters. The Georgia Department of Labor (GDOL) quickly realized they were in a bind. The extra time it would take to sort bad eggs from verified claimants could seriously slow the processing of much-needed payments.

To tackle the backlogs, GDOL began upgrading its unemployment insurance (UI) benefits payments system to enhance fraud detection capabilities. The first phase of that work, accomplished at breakneck pace in August to September 2020, introduced integration with ID.me. That's a software-as-a-service (SaaS) solution that provides secure identity verification and a first-of-its-kind federally certified digital identity that is interoperable across U.S. federal, state, and local government.

Integrating ID.me complemented and enhanced Georgia's existing fraud prevention applications, as well as its verification partnerships with the Georgia Department of Driver Services (DDS) and the Social Security Administration (SSA). It also enabled the state to manage costs for long-term sustainability.

Further identify verification improvements are planned in several phases, as additional partner systems are introduced.
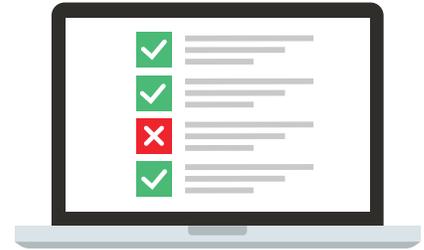
The enhanced verification process identified approximately 227,000 fraudulent claims and prevented what could have been fraudulent payments totaling $6.8B.

The pandemic has heated the stove to red-hot and pressured agencies like GDOL to ensure the integrity and efficiency of unemployment insurance claim processing. Georgia's addition of ID.me is helping minimize time-consuming manual fraud investigations and injecting new anti-fraud capabilities into the UI machinery. That allows additional focus on processing verified claims and getting crucial payments to Georgians who need them.

Georgia's Department of Labor (GDOL) faced a perfect storm in 2020. Staggering volumes of unemployment insurance (UI) and pandemic unemployment assistance (PUA) claims. An exponential increase in transactions. A surge of people seeking assistance. GDOL also had to work fast to implement complex business rules to support five new programs introduced by Congress, each with unforgiving, aggressive deadlines. It presented new challenges one after the other to keeping pace with processing claims, confirming legitimacy of claims, and paying benefits expeditiously. And at a time when claimants could least afford delays.

On top of all that, GDOL dealt with a relentless flood of sophisticated fraud attacks from U.S.-based scam rings, organized foreign crime groups, and individual identity thieves. They urgently needed a way to root out fraudulent claims and still pay legitimate claims promptly. GDOL enlisted partners to help with fraud detection and prevention.

Since the beginning of the pandemic, GDOL has received more than 400,000 claims with indicators of potential fraud. Each one requires additional verification and investigation, a highly manual process that burns through manpower. At the height of the 2020 crush, 70,000 claimants were piled in the queue pending identity verification.

GDOL sought a supervised, remote, online system that would reliably verify identities of claimants. That's where **ID.me** came in.

The solution transformed GDOL's identity verification. It eliminated manual handling of personal communication and documentation submission which could take as long as 48 hours to complete and release a claim. That former process could only be finalized by highly experienced agency personnel. With the ID.me interface, it became "touchless." GDOL worked with ID.me to develop a hosted landing page (HLP) customized for Georgians who need to verify their identity. After the claimant is verified, claims are resolved by the unemployment insurance system the next day.
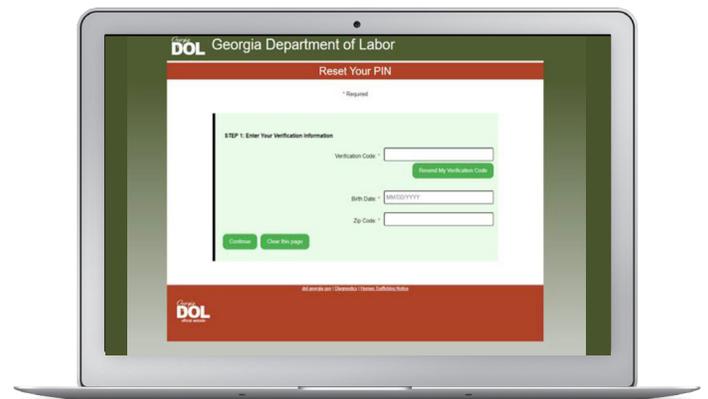
With every state looking to protect their unemployment insurance systems against fraud, what makes this Georgia project different? For one thing – and an important one amid the flurry of claims during the pandemic – the identity authentication solution was implemented fast. The first phase with the HLP could go live in just six business days. Right away, it could automate manual processes and enable enhanced fraud detection with cross collaboration among states and private-public partnerships. And, ID.me offers a supervised remote video chat capability, a one-of-a-kind offering among identity verification vendors. That video chat feature has proven critical in assisting claimants.

Cybersecurity and risk management sit at the top of NASCIO's 2021 list of priorities for state CIOs, and both are at the center of this important GDOL effort to protect the state from UI fraud attempts that can lead to payments made in error.

IMPLEMENTATION

Faced with a swelling backlog of claims, widespread fraud attempts and dire need for getting relief to legitimate claimants, GDOL had to act. They researched identity authentication solutions and discussed Georgia's needs with multiple vendors. They selected the ID.me solution based on several factors: rapid implementation; favorable cost structure; approval by USDOL, IRS, and SSA; and procurement rules via the CARES Act that enabled expedited purchase.

Implementation required close coordination across agency teams – IT, multiple business units, procurement, legal, and the Commissioner's Office – as well as external partners. In short order and without negatively affecting other work in progress, the identity authentication project was scoped and staffed, partners identified, and agreements put in place.

Quick deployment being a top priority, the team followed an Agile methodology, using an iterative approach to move the project forward. A phased implementation began with the minimum viable product, an Agile concept that allows early assessment of the viability of a product by deploying it with only basic functionality. The GDOL team would use what they learned to enable a series of continuous improvements through subsequent phases. The team opted to use the hosted landing page (HLP) approach rather than pursuing full integration, a process that would have required weeks or months. Full integration remains GDOL's eventual goal for the project.

Three main project objectives emerged:

1 Moving people through the unemployment insurance process to receive appropriate payments

2 Removing the burden of identity verification from staff, freeing them for other urgent tasks

3 Preventing fraudulent access to state unemployment funds

Fifteen IT staff, helped by five team members supporting testing, implemented the ID.me interface in six weeks for a cost of ~$192K.

So how does the solution work? GDOL directs claimants to verify at the ID.me landing page online (the HLP), and ID.me sends the verified results to GDOL. Then, GDOL can proceed and process payments quickly for verified claimants.

IN ACTION:

Claimant verifies identity through ID.me → **ID.me indicates verified claimants to GDOL** → **GDOL processes claims for the verified**

Individuals who fail online identity verification – maybe because of a name change or absence of credit records – can take advantage of supervised remote video chat capabilities to clarify their information. Additionally, ID.me allows GDOL to identify threats posed by criminal fraud rings and take action in real time to prevent attacks targeting UI and PUA systems.

GDOL partnered with ID.me to implement additional fraud-fighting features:

Social engineering prevention – A new screen to confirm that claimants creating an ID.me account are aware that it is for the purpose of accessing GDOL

Text message verification – An additional text message verification directed to the phone number associated with the personal information gathered via telecom and credit checks

Multiple state verification prevention – A control that prevents claimants from accessing more than two state unemployment agencies

These kinds of major changes to a system used by thousands of Georgians every day require keeping system users well informed. Communication can make or break the effort. From the outset, GDOL was proactive in crafting a communications and marketing plan targeting stakeholder groups such as claimants, media, and legislators. Their multi-channel strategy included: weekly press conferences and news releases, interviews on TV and radio, regular updates to the GDOL website and all social media platforms, and presentations and speeches delivered to local groups by GDOL's Commissioner. The media campaign aimed to notify claimants of the new process, assure them of its legitimacy, and prepare them to navigate it successfully.

Pay the legitimate unemployment insurance claims and toss out the rest. A goal simply stated but not so simply achieved. You have to be both thorough and fast. A cumbersome process means a giant backlog and Georgians left waiting. A less-than-complete screening and public funds may go to fraudsters.

ID.me fit the bill. As a SaaS solution for identity verification, it was readily available and launched in just six days. It provided a secure online way for claimants to verify their identity and even offered video chat with trained staff members to help resolve questions.

The impact was immediate. With the ID.me interface in place, GDOL staff could redirect their attention to other urgent tasks. Rather than spending hours manually investigating claims flagged for identity issues or potential fraud, they could send suspicious claims to ID.me for verification. ID.me then returned to GDOL the list of individuals who have completed verification according to the National Institute of Standards and Technology (NIST) 800-63 standards, the digital identity guidelines of the U.S. Department of Commerce.

Prior to ID.me, claimants who could not verify their identity had 10 days to get required documents to GDOL. After GDOL received and reviewed documents, and supposing identity was verified, removing the identification hold could take from 20 minutes to 48 hours. With ID.me, the average time for verification is down to seven days. After verification, the claim can be processed in GDOL's system the next day, with no action required from staff.
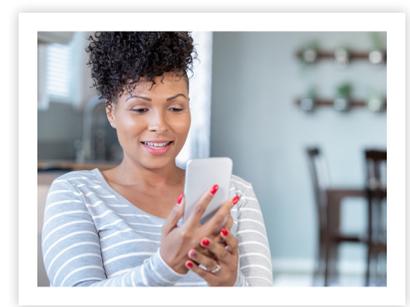

> "Thanks for helping me with an issue that has been stressing me since July, my unemployment. Now, hopefully, I can start back receiving it. My kids and I thank you."
> – Georgia Claimant

Beyond introducing efficiency for claimants, ID.me provides vital information to GDOL about claims portal access attempts. When fraud is suspected, ID.me investigates and contacts GDOL right away with a full report showing users involved, type of unauthorized activity, results of a security team investigation, activity logs (user IP, phone number, etc.), ID.me actions, and recommended GDOL actions.

These reports help GDOL and law enforcement partners with investigations. **The enhanced verification process identified approximately 227,000 fraudulent claims and prevented what could have been fraudulent payments totaling $6.8B.**

As it weeds out fraudulent users, ID.me also puts legitimate users on a direct path to receiving their payments. As of April 2021, of all the claimants (423,673) sent to ID.me, one-third did not attempt verification. Of those who did, ID.me was able to successfully verify 196,695 claimants with GDOL. Georgia's true success rate, the percentage of legitimate claimants who start and finish the **verification process, is between 93.3% and 96.4%.**
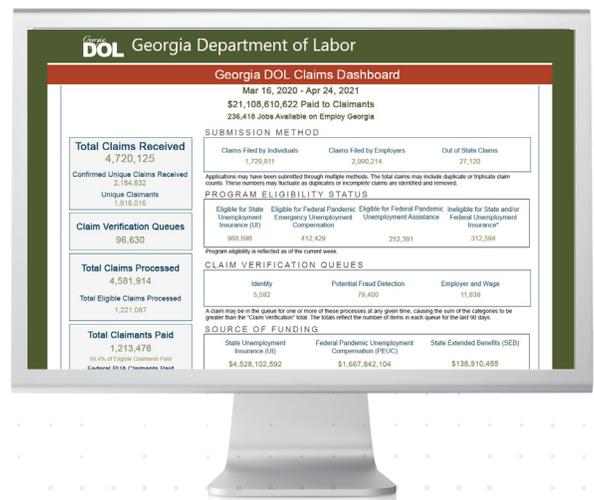
What kinds of confusion can ID.me sort out? Here's one example. When GDOL flagged three claims that all had the same name and address, they certainly had cause. But, after the claimants verified through ID.me, the results showed they were three sisters with different birthdays and Social Security numbers, but whose names were alike except for their middle names. The ID.me solution allowed quickly restoring payments to the claimants and avoiding a complicated manual verification process.

Automation of the manual process combined with ID.me's fraud insight and analysis bring tremendous new capabilities to the agency's process. The solution's fraud detection and investigative reports allow GDOL to quickly capitalize on criminal activity intelligence across workforce agencies in multiple states. By March 2021, the solution had reduced staff time for GDOL by an estimated 70,712 hours, with savings in staffing expense exceeding $1.7 million.

Reduced staff time for GDOL by an estimated **70,712 hours**

Savings in staffing expense exceeding **$1.7 million**

What's next? From the start, GDOL envisioned its identity authentication project as a series of continuing improvements, all aimed at ensuring the integrity and efficiency of the unemployment insurance program. GDOL anticipates even greater benefit upon full integration of the solution. The user experience will be streamlined: Claimants will be automatically directed to ID.me to follow the steps for authentication and then returned to the GDOL system to continue where they left off. Processing time may be trimmed by an additional 24 hours.

A subsequent phase will integrate the Integrity Data Hub (IDH), a national database that provides critical cross-matching functionality to combat UI fraud. The more states actively engaged with IDH, the greater its power to identify interstate fraudulent activity. The secure, centralized platform brings state workforce agencies together in collective action to compare and analyze UI claims data for enhanced detection and prevention of fraud and improper payments. When the IDH resources are added, GDOL will send the claims with the highest likelihood of fraud to ID.me, saving significant verification costs while preventing fraudulent payouts.

"Fraud is something this agency takes very seriously, and we have formed a task force with several state and federal agencies to work together to tackle individual and organized crime," said GDOL Commissioner Mark Butler. "These chaotic times have provided a golden opportunity for bad actors to try to manipulate the system. However, those individuals need to understand that we will investigate each case of fraud, track down those who are cheating the program, and prosecute them to the fullest extent of the law."

The Georgia Department of Labor's identity authentication project is delivering exactly what the state needed during a time of crisis: Greater security and data protection. Reduced unemployment insurance backlogs and manual processing. Less losses to fraud. More Georgians served promptly. That's a win now and for the future.