



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT
DEPARTMENT OF UNEMPLOYMENT ASSISTANCE

MAURA HEALEY
GOVERNOR

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DIRECTOR

DUA ADVISORY COUNCIL MEETING

Thursday, February 20, 2025
Meeting Minutes

Council Attendees: Richard Marlin, John Drinkwater, Grace Lee, Sam Larson, Chris Carlozzi, Renee Harper

EOLWD/DWD/DUA/Public Attendees: Katie Dishnica, David Gold, John Saulnier, Jeannie Pena, Jason Salgado, Houda Amoakuh, Paul Fitzgerald, Mark Costello, Laura Santiago, Paolo Franzese, Wendy Filosi, Anne Berlin, Rory McAnaney, Harrison Flynn

A virtual meeting was held via Zoom.

A motion was proposed to approve the January 2025 meeting minutes.

- Motion was seconded.
- Vote on Motion – all in favor to approve.

Executive Update

Katie Dishnica, Director of DUA, provided an executive update.

The first update is regarding EMT. The system will be going live in May. We have received feedback from the EMT Advisory Council, and the team is working on evaluating and making updates based on that feedback. DUA continues to reach out to stakeholders such as large employers, Third-Party Agents, and Municipalities to give demonstrations. These demonstrations will be ongoing over the next few weeks.

The fraud team is currently in training. As of right now, they are receiving an overview of the program and system.

DUA has made updates to the EMT website, and we encourage everyone to visit the site to see the changes.

At the January Advisory Council Meeting, the importance of Accounting and Reporting was discussed and the need to have a DUA staff member involved in the reconciliation process. DUA has hired an Accountant, Heidy Chang. Ms. Chang is originally from DUA, left to work for the Department of Public Health and later returned to DUA. She has experience reconciling funds and with MMARS. In addition, DUA has hired the Deputy Director of Revenue, Meaghan Tucker.

She has worked for the DUA for sixteen years in various roles. She will be assisting Laura Santiago, Director of Revenue, with day-to-day operations, and will also oversee the Tax Integrity Department. DUA is still in the early stages of developing the Tax Integrity Department and will continue to conduct interviews to fill the remaining open positions.

DUA is currently increasing Enforcement Activities. When the EMT system goes live in May, certain functions need to be frozen.

The next update is regarding online access for employers and Third-Party Agents. DUA has had to revoke access for users due to password sharing. Each user must have their own individual username and password.

The next update is regarding hearings. There are six pop up events scheduled over the next six weeks. DUA will continue to hold pop up events and has been able to redetermine 1,500 appeals for identity verification issues.

The next update is regarding service levels within DUA. We are coming out of peak season. There are seasonal spikes in unemployment claims in December and January that then drop and increase again in June and July. Effective February 13, DUA has redirected calls related to Program Integrity to go directly to that department. Previously they were directed through the general call system. This will allow more calls to get through to the general queue. DUA has shifted twelve people from other areas of the agency to work on the adjudication backlog resulting from peak season. DUA will post twelve open call center positions. Phone messaging and prompts have been updated to make them more user friendly and easy to understand. The mass.gov website has been updated with FAQs. In addition to challenges posed by peak season, staff at DUA are attending training for the new EMT system, which means that they aren't available to take calls. DUA is looking into contracting a vendor to help with calls when EMT goes live.

Presentation by Wendy Filosi, Director of Program Integrity

Wendy Filosi, Director of Program Integrity, introduced herself to the Advisory Council and gave a presentation on the Identity Verification process. She started as a temporary employee in 2009 working on overpayments and over the years has held various positions. She has been the Director of Program Integrity for the last few years.

Program Integrity works on a variety of tasks and duties such as fraud investigations and benefit debt collections in addition to Identity Verification. These duties include:

- NDNH/SDNH (National Directory of New Hires, State Directory of New Hires) for claimants who may be working and not reporting their earnings while collecting benefits
- Review waiver applications for overpayment debt
- Process overpayment repayments, bankruptcy filings refunds, and write-offs
- IRORA (Interstate Reciprocal Overpayment Recovery Arrangement) requests and repayment processing to recover a Massachusetts overpayment from an out of state claim
- Tax Intercepts (state and federal review and refund processing)
- Investigation and correction of 1099G forms (fraudulent claim related)

- Child support
- Bank ACH check returns (fraudulent claim related)
- Replacement checks/affidavits
- Referrals for fraudulent claims and other suspicious activities to law enforcement, AG, OIG, and other offices for civil and criminal prosecution

Unemployment insurance programs continue to be a target for fraud. States have developed new investigative methods and utilize fraud detections software to address fraudulent claim activities. There are different terms used for fraud such as fraudulent activity, fraudulent claims, hacked claims and compromised accounts. These situations can occur due to data breaches, phishing, or fake UI Online websites.

Previously, all claimants were required to be verified through USPS/login.gov. The login.gov option has been removed. Since this change 76% of claimants asked to verify through USPS have completed the verification. DUA is continuing to work with the FIVS team to adjust scoring parameters to improve results and better manage IDV workflow and pending IDV issues. We are also continuing to analyze submissions to monitor all changes for accuracy and track impacts on agency workload. Revenue will continue to strengthen fraud investigations and improve processes associated with Fictitious Employer schemes and other employer related fraud. The new EMT system that will go live in May was developed by FAST, the same vendor as the fraud analytics software FIVS. This will allow for better integration and more effective workflows with the two systems, and more automated workflows. Fraud forms and tax intercept forms will be integrated into the system creating a workflow for staff to review.

Questions/Discussion

Question: Is there a cost related to it?

Answer by Katie Dishnica: This service is being provided by the national offering. USDOL is paying for the first two years of the program and is working on funding solutions for the future.

Question: Is there any kind of waiver option for someone who has a medical issue or disability that would impact their ability to go in person to the Post Office?

Answer by Katie Dishnica: We do have a process that is used in extreme cases.

Wendy Filosi: It is something that we considered. We haven't had any claimants requesting this.

Question by Chris Carlozzi: Have we ever gotten to the cost of fraud – How many claims end up paid for where we have not recouped benefits that were paid out to fraudulent claimants?

Answer by Katie Dishnica: This can be challenging since a lot of claims were denied for non-response, so you can't technically call it fraud. As Wendy mentioned we have 76% that go to the post office to get verified, however the rest, we do not know if they were fraudsters, or they couldn't go for some other reason. We can see if we can get something to share.

Katie Dishnica mentioned that we are happy to bring in other presentations. We are hoping to have EMT present in March or April. If there is anything you are interested in hearing about, please let us know.

Katie Dishnica provided an update on the Board of Review. The Massachusetts Legislature created the BOR, an independent, 3-member quasi-judicial state board, to review unemployment cases decided by the Department of Unemployment Assistance (DUA) Hearings Department. It is the final step in the administrative appeals process before an appeal can be filed in District Court.

All three Board of Review members' terms have expired. DUA would like the Advisory Council to start the process of selecting members to begin new terms. DUA Advisory Council is responsible for submitting a list of candidates to fill a vacancy on the Board of Review. Historically, a nominating sub-committee was formed to screen applicants. The committee typically consists of LWD General Counsel as non-voting sub-committee chair, two Advisory Council members; one that can be classed as an employee representative, and one that can be classed as an employer representative, DUA Director as a voting member, and any other person chosen by the Advisory Council or Secretary as a non-voting member. The subcommittee would perform initial screening duties and forward names to the Advisory Council for consideration in an open session. The applicant must receive favorable votes from a majority of Advisory Council members present to be recommended to the Governor. If the sub-committee declines to recommend a member, they recommend a new candidate or decide to repost the position.

Rich Marlin proposed a motion to vote to appoint sub-committee members as outlined above.

- The motion was seconded by Chris Carlozzi.
- John Drinkwater was appointed as an employee representative.
- Sam Larson was appointed as an employer representative.
- The motion was approved by all Council Members.

UI Trust Fund Update

Harrison Flynn, UI Economist of the Department of Economic Research, provided an update on the UI Trust Fund. The report relates to reporting on the UI Trust Fund for the month of January 2025.

- As of January 31, 2025, the preliminary UI Trust Fund ending balance was \$1.98B
- YTD through January 31, 2025, preliminary employer contributions totaled \$90.89M
- YTD through January 31, 2025, DUA paid \$217.69M in benefits for 84,977 initial and continuing claims

<https://mass.gov/uitrustfund>

Questions/Discussion

Question by Rich Marlin: I'm trying to understand what happened with the money that should have been paid out of the state but was paid out of the Feds. I believe it was \$2.1B that

we now have to pay back. I believe \$600 million in ARPA funding was put into the account in 2021 and 2022 that we used to pay the Federal Government. How much money do we end up owing with the \$2.1B?

Answer by Katie Dishnica: I would like to bring in the numbers to the next meeting. There has been discussion on UI reform and any updates can be discussed at the next meeting as well.

Question by Chris Carlozzi: I have seen that \$70M of this first year will be interest and penalties or fees that the State is covering. Can I see if there is an additional cost for each of those years and who is paying for that if it comes from the Trust Fund or the State?

Next meeting Thursday, March 20, 2025, at 9:30am [Note: meeting not held because of quorum issues]. Please let Katie or Sara know if you are unable to attend.