

State of Vermont Receives Support and Achieves Clarity to Better Serve UI Constituents

SECTOR | NONPROFIT
INDUSTRY | GOVERNMENT

The Vermont Legislature directed the State Auditor's Office to contract with outside unemployment insurance experts to identify opportunities for improvement in Vermont Department of Labor's (VDOL) detection and prevention of unemployment fraud and overpayments. VDOL worked with Resultant to transparently assess their current state; identify fraud identification and prevention solutions; and position the agency for long-term success by examining resources, technology, training, funding, communications, workflows, and policies.

Mapping a Strategic Vision

In developing a strategic vision, we worked with VDOL to accurately assess their current state, define desired capabilities and outcomes for a future state, and identify technical improvement opportunities to bridge the gap between those two states of being. Vermont's unemployment program currently operates on a forty-plus-year-old legacy mainframe system and has just begun transitioning to a more current, user-friendly system.

A THREE-PHASE APPROACH GUIDED OUR WORK.

01 PROCESS
DISCOVERY

02 PROCESS MATURITY
AND ALIGNMENT

03 REPORT AND
RECOMMENDATIONS

01 PROCESS DISCOVERY

The first phase of the engagement included examining processes, identifying pain points, and discussing ways to remain scalable in the decades to come.

Because no solution will give desired outcomes without first getting very clear on what those are, we began with an assessment methodology designed to explore the day-to-day

experiences of claimants, employers, VDOL, and a variety of other interested stakeholders as they interface with the existing unemployment program: ▼

- A deep dive into existing documentation and reporting
- Interviews with key stakeholders including members of these Vermont organizations:
 - Legal Aid
 - Chamber of Commerce
 - General Assembly
 - Office of Racial Equality
 - Businesses for Social Responsibility
- Assessment of Vermont's current UI system technology
- Comparative analysis of ten states' UI systems
- Persona development to ensure essential perspectives when building solutions, including
 - Claimant Advocate
 - Employer Advocate
 - Vermont State Government
 - VDOL

02 PROCESS MATURITY AND ALIGNMENT

Developing a maturity matrix helped steer conversations around process enhancement and organizational growth by defining a range of possible aspirational goals for key focus areas within the UI fraud and overpayment detection processes. To establish the customized maturity matrix, we facilitated internal conversations and exercises with VDOL to first identify the matrix measurement

criteria, capture the maturity levels, identify their current state maturity level, and then their ideal future state. Placing these states on the maturity matrix facilitated discussions about interim steps toward their ultimate goal. **Together, we mapped the course toward their next realistic desired state of maturity.** ▼

MATURITY MATRIX FOR FRAUD CHARACTERISTICS

	Reactive	Efficient	Proactive	Aligned	Strategic
Intent					
Penalty					
Enforceability					
Equity					
Cost					

FRAUD/IMPROPER PAYMENT MATRIX

Feedback/questions

		Authorized Claimant	
Invalid Claims		<ul style="list-style-type: none">— Scheme Fraud— Weekly Claim Fraud— Employer Scheme Fraud— Mule Fraud (Mule)— PUA Claimed in Multiple States	<ul style="list-style-type: none">— Authorized & Valid
		<ul style="list-style-type: none">— ID Theft— Synthetic IDs	<ul style="list-style-type: none">— ID Theft— Social Engineered ID Theft/Hijacked Account— Rerouted Banking Credentials— Mule Fraud (Mule)
		Authorized Claimant	
		Valid Claims	

HOW THE MATURITY MATRIX PROCESS BROUGHT CLARITY TO NEXT STEPS:

- ✓ Revealed key focus areas during the discovery phase
- ✓ Identified current and future states for each segment of maturity matrix
- ✓ Developed recommendations to move toward desired future state in areas of fraud mitigation, agency efficiency, cross-agency collaboration, and supporting technology decisions
- ✓ Clarified overarching strategic vision
- ✓ Identified solutions with high value and feasibility
- ✓ Aligned recommendations with strategic vision

03 REPORT AND RECOMMENDATIONS

Resultant prepared an 87-page detailed report outlining the difficult challenges faced by UI administrators throughout the country brought on by the COVID 19 pandemic and notes VDOL's commitment to delivering services to every individual who needs them even in the face of new, pandemic-related challenges.

current state and desired future state and bolster support toward next steps. The report, publicly available [on this link](#), specifies the desired future state of UI operation and provides clear recommendations to achieve that.

Our research, discovery, and evaluation findings led us to establish these recommendations, arranged by action timeline below. ▼

TIMELINE

START PLANNING



- **Enhanced Initial and Weekly Claim Portal:** Increases efficiency of initial claims processing and access to claims data for more data-driven decisions.
- **Enhanced Employer Portal:** Eliminates disruptions in requirements between employers and VDOL by efficiently connecting employers to the claims process.
- **Claimant ID Proofing:** Verifies identities before a case is created, ensuring claimants are who they say they are.

DO NOW



- **User Account Security Management:** Establishes protocols and secure repository for claimant's account credentials, enhancing security of already established accounts.
- **External IV&V Support for Phase I of Modernization:** Provides objective oversight of the modernization project to identify and address project team blind spots and monitor project risks and issues.
- **External POMO Support for Modernization:** Ensures timelines, key benchmarks, and risks are documented and tracked, and project outcomes are successfully achieved.
- **Leverage Human-Centered Design Services in Modernization Projects:** Brings the points-of-view of claimants, VDOL employees, and employers into the modernization process.
- **Intergovernmental Collaboration and Cooperation:** Aligns expectations between Agency of Digital Service (ADS), Chief Performance Office (CPO), and VDOL and enhances business processes in conjunction with technology implementations.
- **No Longer Apply Penalty Weeks and Develop Tiered Administrative Penalty Framework:** Removes onerous or unnecessarily punitive penalties against claimants; can be amended based on deterrence effectiveness.
- **Create a Data Environment Outside of the Mainframe:** Allows for ongoing modernization and promotes interoperability and shared information across systems in a secure environment.
- **Strategic Planning and Design for UI Modernization:** Provides transparent, shared benchmarks for related stakeholders.

ONGOING



- **Administrative Wage Garnishment:** Grant VDOL the ability to collect via wage garnishments, increasing the deterrence effect of repaying monetary to payments and penalties.
- **Allow Penalty and Interest Recoveries to be Used for Fraud Prevention Innovation:** Provides ongoing optimization and iterative assessment of fraud prevention strategies.

Outcomes Achieved

UI program stakeholders desire to better serve Vermonters by providing UI benefits in an accurate and timely manner while mitigating fraud against the UI Trust Fund. We helped them achieve these outcomes.

- **VDOL has a roadmap** for reaching the desired future state in the areas of fraud and benefit overpayments and insights into industry best practices.
- **VDOL administrators, auditors, adjudicators, and legislators are breaking down silos** so they can collaborate to address these issues while moving toward the desired future state.
- **Vermont has an outline of options** for collaboration between VDOL, the state legislature, and other relevant agencies.
- **The project overcame the challenges** brought on by the pandemic: remote working, COVID protocols, travel restrictions, and a tight timeline.
- **We helped VDOL frame UI system obstacles** in ways that are understandable to multiple stakeholders, essential for collaboration.
- **VDOL has a comprehensive strategic plan** developed through extensive research and interviews with stakeholders that leverages state assets, staff, and budget responsibly.