

# **KY Unemployment Insurance Technology Updates**

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# Structure of Kentucky's UI Technology System: KEWES

- KEWES: Kentucky's Electronic Workplace for Employment Services
- Forward facing (claimants and employers) and internal facing (staff) system
- Siebel programs with Oracle databases
- Built in early 2000s by vendor acquired via RFP
- Supported by Office of Technology Services (OTS) Development Team (10+ FTEs)

**Kentucky Career Center**  
Unemployment Insurance

## Unemployment Insurance Claims System

**The Office of Unemployment Insurance has discovered an increase in the number of imposter UI claim attempts. As our office continues to work closely with the Commonwealth Office of Technology to protect the UI system against fraudulent claims, we are asking employers and individuals to take precautions and assist our efforts to ensure you are protected.**

**For Employers:** Employers play a critical role in the early identification of attempts to defraud the unemployment insurance system. Your prompt response to notice of claims is necessary to ensure that payments are not disbursed in error, and that claimant information is protected. If your business receives notice that an unemployment insurance claim has been filed, please respond to the notice immediately. If you suspect a claim has been filed in error, please promptly contact our office at (502) 564-2387.

**For Individuals and Claimants:** If you suspect your identity has been stolen and a fraudulent claim was filed in your name, you should contact us immediately at (502) 564-2387. In addition, victims can report instances of identity theft to the Federal Trade Commission. To do this, you can fill out a report online or call 877-438-4338. Additionally, you are encouraged to contact local law enforcement. When working with law enforcement, bring a copy of your FTC Identity Theft Report, a government-issued photo ID, proof of your current address, and any proof that your identity has been used for identity theft — such as collections notices. You can also file an online complaint with the FBI's Internet Crime Complaint Center.

**Welcome**  
Welcome to the Kentucky Office of Unemployment Insurance (OUI). In order to file a claim for Unemployment Insurance (UI) benefits you must be separated from your employer or experience a reduction in your work hours.

*Si necesita ayuda en español, comuníquese con la línea de asistencia de seguro de desempleo al 502-564-2900.*

**System Availability**  
**Hours:** The Internet Claims System is available Monday through Friday, 7:00 a.m. - 7:00 p.m. and Sunday, 10:00 a.m. - 9:00 p.m. Eastern time.  
**Maintenance:** The Internet Claims System will be down for maintenance periodically. When maintenance is planned, notice will be

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You are about to enter a secure area of this web site. Please enter your user Identification (Social Security Number) and PIN (4 numeric characters)

If you are a new user, you can register to use this site by clicking the New User link below.

**User Login**

User Identification (Social Security Number) no dashes or spaces: \*

PIN (4 Digit Numeric PIN): \*

**Submit**

\*Forgot your PIN?  
\*New User

# Structure of Kentucky's UI Technology System: MAINFRAME

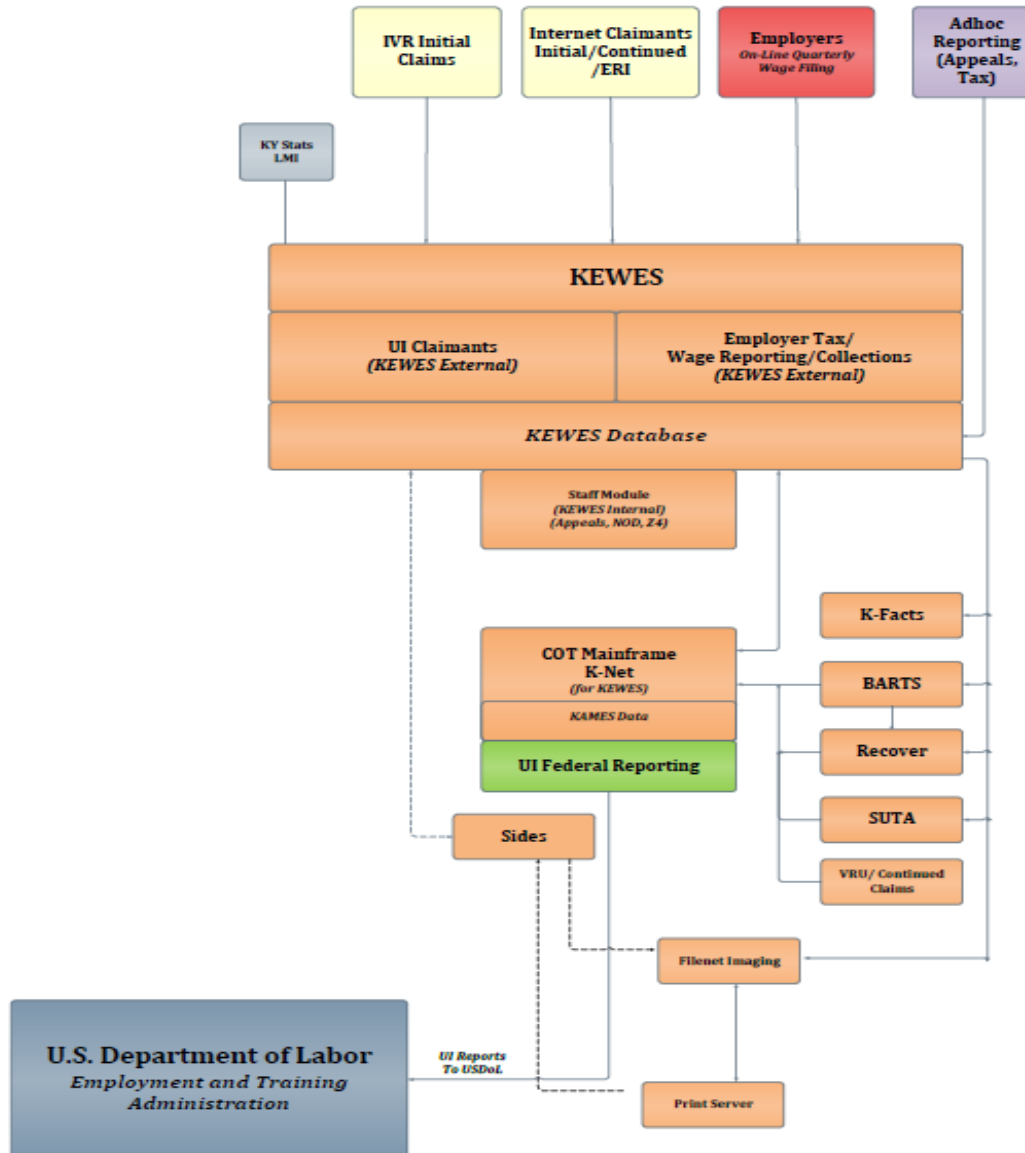
- COBOL programs with IMS databases
- Built in the 1970s
- Supported by Commonwealth Office of Technology (COT) Mainframe Team (6 FTEs)
- All batch processing of claims and payments
- Considered the system of record



# Functional Components of the UI Systems

- **Employer Contributions**
  - quarterly wage filing
  - contribution liability and rates
  - field audits
  - employer protests
  - hearing requests
- **Benefit Claims**
  - process requests for benefits
  - determine monetary entitlement
  - employer benefit charges, penalties, and continue eligibility
  - adjudication (fact-finding of issues)
  - process payments
  - UI integrity (identification and recovery of overpayments)
  - federal reporting
- **Appeals**
  - appeals process for claimants and employers for benefits and chargeability
- **Interactive Voice Response (IVR)**
  - used by the claimants to file their claim over the phone and then get transferred to an agent to complete additional information
- **Voice Response Unit (VRU)**
  - automated system used by the claimants to request benefits bi-weekly

# Functional Components of the UI Systems



# UI System Updates Pre-COVID-19

- **Implemented Lexis Nexis for Fraud Prevention**

- Identity Proofing in 3 locations within KEWES – claims filing; payment method change (direct deposit or debit card); forgot PIN functionality
- Questionnaire consists of three questions with 5 potential answers; must answer 3 questions correctly or will fail the quiz,
- To resolve Failed Identity Proofing, claimant must upload two forms of identification (driver's license, Social Security card, passport, mail with home address on it)

## Sample Identity Verification Questions

- Which of the following addresses have you resided?
- What color was your truck you drove in 2014?

- **Implemented Olark Live Chat Software**

- Allows claimants to engage agents for assistance in real-time; ability to capture transcript of chat for audits

# 2008 Recession & COVID-19 Comparison



## Time Frames

2008 Recession: December 2007 to June 2009

COVID-19 Pandemic: March 2020 to June 2020 (latest data available).

■ 2008 Recession  
■ COVID-19 Pandemic

Unemployment Claims show Kentucky's regular state UI program only.

### Total Count of Initial Claims Filed



### Total Count of Continued Claims



### Total Count of First Payments



### Total Count of Final Payments



### Total Count of Weeks Compensated



### Total Amount Compensated for All Weeks



# Challenges Created by COVID-19

- **Timeline for Programming Changes, Including Testing**
  - Most system changes for the new programs were required in days
  - Limited time for developers and business users to test changes
  - Removal of normal processes (waiting week and work search requirements)
  - Auto-payment of first payments for claimants
  - US DOL requirements changed quickly regarding new programs
  - Reuse of the Disaster Unemployment Assistance (DUA) from previous years
- **KEWES System Availability Limitations**
  - System availability
  - Does not scale well on mobile devices
  - Limited browser compatibility: functions best with Internet Explorer versions; not compatible with Apple products
- **Self-Certification of Weeks Paid and Earnings Verification**
  - After PUA implementation, USDOL required self-certification of weeks beginning in January 2020 forward
  - Earnings verification documentation had to be uploaded by PUA claimants and required reconsideration of Maximum Benefit Amount & Weekly Benefit Amount
- **Volume of Claimants**
  - Average weekly claims
    - Pre-COVID-19: 3,000
    - Post-COVID-19: 80,000
  - Limited server capacity
  - Limited database size
  - Archiving of records had not been recently completed



# COVID-19 Unemployment Programs Added

Transitioned from one UI program (traditional UI) to four, by adding the following programs:

## Pandemic Unemployment Assistance (PUA)

- 39 weeks of benefits for workers not otherwise eligible: self-employed individuals, contract workers, and business owners

## Pandemic Emergency Unemployment Compensation (PEUC)

- additional 13 weeks of benefits for unemployed workers who have exhausted regular UI benefits and whose benefit year expires on or after July 1, 2019

## Pandemic Unemployment Compensation (PUC)

- additional \$600 of benefits per week to all unemployed workers receiving unemployment compensation, through week ending July 25, 2020.

# Addressing Challenges Due to COVID-19

- Retooled the Disaster Unemployment Assistance (DUA) from previous years for PUA
- Partnered with COT and Oracle for 5 day engagement to assess system for any fine tuning and/or changes to improve functionality
- Increased server capacity from 14 servers to 27 servers
- Increased database size by 1.32 Terabytes
- Archived claimant database of 54,681,884 to allow for additional claim filing
- Archived voice response unit database of 22,306,383 records to allow for additional claiming of benefits bi-weekly
- Extended KEWES system availability to 9:00 p.m.
- Deployed Microsoft Forms for PUA and emailed forms directly to claimants to gather the wage certification information more quickly
- Implemented Salesforce ChatBot
  - As of July 27: over 21,000 chats have been initiated

# Ongoing UI System Improvements

- Upgrading Siebel to 2015
  - Decrease batch processing time
  - Enhance security functionality
- Implementing New Citizen-Facing Web Pages
- Replacing VRU and IVR with Amazon Web Service
- Replacing FileNet (used for imaging and scanning) with OnBase by Xerox

# UI Technology System's Future Needs

- Stabilizing funding sources for current Request for Proposal (RFP)
- Expanding use of Salesforce for citizen friendly interface to the system
- Expanding ChatBot functionality to include adjudication of issues

# Questions

