

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

LABOR AND INDUSTRY COMMITTEE

ROOM 205
RYAN OFFICE BUILDING

TUESDAY, SEPTEMBER 14, 2021
10:30 A.M.

BEFORE:

HONORABLE JIM COX, MAJORITY CHAIRMAN
HONORABLE GERALD MULLERY, MINORITY CHAIRMAN
HONORABLE ERIC DAVANZO
HONORABLE BARBARA GLEIM
HONORABLE JAMES GREGORY
HONORABLE RICH IRVIN
HONORABLE MIKE JONES
HONORABLE KATE KLUNK
HONORABLE LORI MIZGORSKI
HONORABLE ERIC NELSON
HONORABLE DAVID ROWE
HONORABLE DAVID DELLOSO
HONORABLE SARA INNAMORATO
HONORABLE LEANNE KRUEGER
HONORABLE JEANNE MCNEILL
HONORABLE JENNIFER O'MARA
HONORABLE NICK PISCIOTTANO
HONORABLE PAM SNYDER

Pennsylvania House of Representatives
Commonwealth of Pennsylvania

1 COMMITTEE STAFF PRESENT:

2 JOHN SCARPATO
REPUBLICAN EXECUTIVE DIRECTOR

3 JONAS RICCI
REPUBLICAN RESEARCH ANALYST

4 MCCLAIN FULTZ
REPUBLICAN RESEARCH ANALYST

5 JENNIFER DODGE
REPUBLICAN ADMINISTRATIVE ASSISTANT

6

7 EVAN FRANZESE-PETERSON
DEMOCRATIC RESEARCH ANALYST

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I N D E X

TESTIFIERS

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SECRETARY,
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SUSAN DICKINSON
ACTING DEPUTY SECRETARY
UNEMPLOYMENT COMPENSATION.....19

SUBMITTED WRITTEN TESTIMONY

* * *

(See submitted written testimony and handouts online.)

P R O C E E D I N G S

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3 MAJORITY CHAIRMAN COX: (Audio missing)
4 -- and Industry Committee hearing to order.
5 Please rise and join me in saying the Pledge of
6 Allegiance.

7 (Whereupon, the Pledge of Allegiance was
8 recited.)

9 MAJORITY CHAIRMAN COX: I would like to
10 welcome everyone to this hearing of the House
11 Labor & Industry Committee. I want to remind
12 everyone that this hearing will be recorded --
13 or is being recorded. And so I'd ask that you
14 silence your cell phones and other electronic
15 devices that might provide distracting noises.

16 We're going to dispense with the calling
17 of the roll today. We've got a number of members
18 joining us virtually. We're not going to walk
19 through introductions of the members for the same
20 reason. It's kind of unwieldy. But for those
21 who are here physically, we would ask that you
22 sign in on the sheet as it's going by to mark
23 your presence. And we do appreciate those of you
24 that have been able to join us here in person
25 from the Department, and those who are able to

1 join us virtually. We welcome you, as well.

2 So I originally called this hearing on
3 September 1st as part of the ongoing oversight of
4 the UC System. A lot of changes and things that
5 were happening with the pandemic. And so it's
6 been an ongoing oversight, but unfortunately, we
7 had to do a little bit of a delay there.

8 Hurricane Ida dealt a blow to Harrisburg and
9 other areas on that day, so we postponed it.

10 Since our last hearing before that
11 though, there were fraud attempts that have
12 ramped up from the outside. We've had a call
13 recently with the Department and other agencies
14 kind of giving us an overview of how some of
15 those fraud attempts have been dealt with, so we
16 appreciate that.

17 We've also learned about claimants who
18 were overcharged interest. Fourteen million
19 dollars is the going number at this point on
20 fault overpayment. And now we're in the process
21 -- the Department is in the process of winding
22 down the Federal pandemic programs. So we're
23 looking forward to hearing a little bit of a
24 wrap-up of those sorts of things.

25 It's my hope that the change in the

1 Federal programs will help nudge people back into
2 the workforce. Workers are desperately needed.
3 We continue to see that from industries all
4 across Pennsylvania of all kinds. So today we
5 are asking for an update on those types of issues
6 from what you've been able to gather. We want to
7 see where we're at in the UC System, what kinds
8 of concerns we're seeing, what kind of forecast
9 we see for full implementation of some of the
10 features that were kind of outliers at that
11 point.

12 The Department did submit testimony. It
13 was updated. We had seen the testimony that was
14 given to us for the September 1 hearing. What
15 we're seeing in front of us today is updated with
16 some additional information. So I'd encourage
17 members who have the older testimony to set that
18 aside and focus on this testimony as being the
19 up-to-date version of that. That updated
20 testimony is included in the packets that those
21 members who are on the Committee received.

22 We also received written testimony from
23 the Pennsylvania School Bus Association prior to
24 September 1st, and so that is also included. I'm
25 going to jump right in and ask Secretary to

1 launch into your testimony and we'll have
2 questions and so forth afterwards. I do want to
3 point out that I'm going to be needing to step
4 away for a few moments.

5 I do want to point out that I'll be
6 stepping away for another Committee meeting.
7 It's a voting meeting. It's the only other
8 Committee I serve on, so I will be stepping away
9 temporarily for that. And I will be asking one
10 of my subcommittee Chairs, Mr. Nelson, to handle
11 in my absence the ongoing questions and so forth
12 that might be going on at that point.

13 So with that said, I would like to go
14 ahead and administrate the oath as we've done
15 with testimony. So you and any others that might
16 be providing testimony, I'd ask that you stand
17 and raise your right hand.

18 (Whereupon, testifiers were sworn en
19 masse.)

20 MAJORITY CHAIRMAN COX: Thank you.

21 with us today, we have Jennifer Berrier,
22 Secretary of Labor & Industry; and Susan
23 Dickinson, the acting Deputy Secretary for
24 Unemployment Compensation Programs, both familiar
25 voices and faces to those of us who were on many,

1 many calls over the summer and last week, as
2 well. You got quite the air time last Friday on
3 the ins and outs of the fraud side of things. So
4 we appreciate you sharing that with us.

5 So I've asked the Department to provide a
6 10-minute opening statement, if you will, and
7 then we'll go from there with questions from
8 Committee members. So Secretary Berrier, if
9 you're ready, you may begin.

10 SECRETARY BERRIER: Thank you very much.
11 Thank you, Chairman Cox, also Chairman Mullery,
12 who's joining us virtually, and members of the
13 House Labor & Industry Committee. We appreciate
14 the opportunity to be before you to discuss
15 updates within the unemployment compensation
16 program area. It has been several months since
17 we last spoke. And as I'm sure you know, a lot
18 has occurred.

19 When I first took over the role of
20 leading the Department in December of 2020, we
21 were in the midst of the COVID-19 pandemic and
22 the Department was inundated with an
23 unprecedented number of UC claims. At that time,
24 I imparted upon the Committee and the General
25 Assembly that will I was committed to maintaining

1 transparency and making changes that had improved
2 administration of delivery of services.

3 And I think it's important for me to
4 reiterate that I remain committed to these
5 principles, and I hope that the information
6 provided today shows that. While a lot has been
7 accomplished, there is still much work to do.

8 First, I would be remiss if I did not
9 recognize the Department's amazing team that has
10 been on the front lines implementing constantly
11 changing UC programs and guidance while
12 processing record number claims, providing
13 benefits that serve as a lifeline to many
14 Pennsylvanians. I am honored to be a part of the
15 team.

16 Since March of 2020, the team has paid
17 out over \$50 billion dollars in benefits across
18 six different UC programs. So first, I'd like to
19 provide an update on Ben Mod. On June 8th, the
20 new system went live. Since then, the Department
21 has made significant progress to stabilize the
22 system. However, we continue to work with our
23 vendor GSI to make system enhancements that
24 correct minor issues and optimize the system.

25 Since launching Ben Mod, we have paid

1 over 500,000 claimants, approximately \$2.7
2 billion dollars in benefits over the course of
3 the last three months. As discussed previously,
4 there were many reasons why the Department
5 decided to go live with the new system when it
6 did, such as a steady decline in new claims,
7 completed implementation of the Federal pandemic
8 programs, the timing being prior to the next
9 quarter change, the system's more streamlined
10 business processes that would allow L&I to
11 process backlogs more quickly, and the ability
12 for the Department to have contractors available
13 to handle the increased customer service levels.

14 To showcase the system's efficiencies,
15 prior to going live, unemployment examiners
16 completed 8 to 9,000 determinations per week.
17 And the backlog of determinations was over
18 325,000 cases. Currently, UC examiners are
19 completing approximately 20,000 adjudications a
20 week, and the backlog has dropped to 121,000
21 cases in less than three months and will continue
22 to decrease.

23 While the Department was able to increase
24 the number of examiners by 30 percent since March
25 2020, the system's efficiencies have had a very

1 positive impact on decreasing the termination
2 production. Secondly, an unfortunate consequence
3 of going live with the new system was the
4 coordinated attacks by fraudsters this summer.

5 The new system attracted national
6 attention since we were the second-largest state
7 to unveil a modernized system, the attention of
8 fraudsters who wanted to test that new system for
9 any vulnerabilities. As you may have read, UC
10 fraud is a national problem that has plagued many
11 state's UC systems. The fraudsters use identity
12 information attained through the dark web, the
13 result of one of the many numerous data breaches
14 that have occurred over the past decade, and they
15 filed for benefits on behalf of those individuals
16 that they obtained through the dark web.

17 Since June 8th, L&I has identified nearly
18 300,000 initial claims as fraudulent. This
19 accounts for over 75 percent of the new claims
20 filed on the system. Luckily, back-end fraud
21 measures in the new system flagged these claims,
22 and payments were prevented in most cases. These
23 measures prevented more than \$5 billion dollars
24 from being distributed to fraudsters and crime
25 syndicates. Even though these claims were

1 flagged, this did not stop the system from
2 generating notices to employers and individuals,
3 which I know that your offices have been dealing
4 with.

5 In response to the fraud, as soon as the
6 new system was stabilized, the Department worked
7 swiftly with ID Me to implement an identity
8 verification check to curb fraudulent activity.
9 Once we implemented that on July 16th, we
10 immediately experienced an 80-percent decrease in
11 initial claims filings.

12 On July 23rd, we implemented identity
13 verification for all continuing claims dating
14 back to March 1st of 2021 to capture any
15 fraudulent activity we might have missed. On
16 July 31st, we implemented identity verification
17 for all claims where individuals attempted to
18 make changes to their Keystone ID. And
19 currently, we're looking at implementing ID Me
20 for any changes in bank account information.

21 We believe that this implementation has
22 halted most fraudsters in their tracks. However,
23 we know that there are many individuals and
24 businesses who are victims of this despicable
25 fraud. And I want to assure these victims that

1 we are working diligently to address all
2 fraudulent claims. And any fraudulent claims
3 will be denied and any charges imposed will be
4 adjusted. We've doubled our fraud prevention
5 staff to address these increased levels, and we
6 will not rest until all fraudulent claims are
7 addressed and benefits are paid to only eligible
8 individuals and employer accounts are credited
9 for any fraudulently paid funds.

10 We also look forward to collaborating
11 with the Treasury Department and law enforcement
12 to hold these fraudsters accountable for their
13 disgusting crimes, which have tied up Department
14 resources and made it difficult for real
15 claimants to receive their benefits. The
16 Department expects that any impact to the trust
17 fund account for fraud has been minimal because
18 only 16 percent of the benefits paid since March
19 of 2020 were from the trust fund. The remaining
20 84 percent of benefits paid were Federal funds
21 allotted directly through Federal DOL through the
22 Federal pandemic UC programs.

23 Sorry. Finding it hard to breathe.

24 Third, as the Committee is aware, a UC
25 issue that the Department was working to resolve

1 became public as the result of a Spotlight PA
2 article. To simplify what happened, incorrect
3 interest rates were charged on UC fault
4 overpayments from 2006 to 2016. Fault
5 overpayments, also known as fraud overpayments,
6 occur when an individual intentionally withholds
7 or provides incorrect information about their
8 claim and erroneously receives unemployment
9 compensation benefits.

10 The UC legacy system had a set standard
11 of 9 percent interest for those years when the
12 system should have had a fluctuating interest
13 rate determined yearly the by Department of
14 Revenue. In 2016, L&I officials discovered the
15 issue and took immediate steps to charge the
16 correct interest rate moving forward. Since
17 then, individuals who have contacted L&I to repay
18 liens had their interest payments manually
19 reduced by staff.

20 Furthermore, L&I staff, in conjunction
21 with OIT, began the complex process of working to
22 retroactivity repay all fraudulent claims who
23 were overcharged interest. In 2017, there was an
24 Inspector General investigation which the
25 Department responded to. L&I officials have

1 worked to address the overcharge issue and
2 identify the entire universe and then the
3 pandemic happened.

4 Resources were directed away. However,
5 when this issue was re-raised through
6 right-to-know requests from Spotlight PA, this
7 issue was put on my radar and executive
8 leadership made this one of its many priorities.
9 As you know, we have many.

10 I'm happy to announce that we have
11 notified the entire universe of individuals
12 affected by the interest rate issue,
13 inadvertently, sooner than we intended,
14 admittedly. We launched a new website for these
15 individuals to input their information and start
16 the refund process. And to date, so far we have
17 had 31,113 individuals file for approximately
18 \$3.1 million dollars in refunds.

19 The universe of this issue -- and we have
20 nailed down the final numbers of that -- is
21 approximately 250,000 individuals who were
22 impacted over that 10-year period. According to
23 our calculations currently, 109,000 of those
24 individuals are due \$19 million dollars. So that
25 is the final -- the final number.

1 Lastly, to close, the Federal pandemic
2 benefits ended for Pennsylvanians on September 4.
3 The Department finds itself in a good position to
4 cleanup the tsunami of claims it received during
5 the pandemic, as approximately only 77,000
6 Pennsylvanians are currently filing for
7 unemployment compensation. We want to put this
8 unprecedented time behind us as we continue to
9 prioritize training and employment opportunities
10 for Pennsylvanians.

11 And to end on a promising note, I'm happy
12 to report that the UC trust fund balance is \$46
13 million dollars. The Federal loan balance is
14 currently \$738 million dollars. The Department
15 allocated approximately \$837 million dollars from
16 the trust fund to the previous loan balance of
17 approximately \$1.5 billion dollars on
18 September 1st when the zero percent interest rate
19 expired.

20 So we essentially cut the loan in half,
21 which is really good and really good, I think,
22 for a lot of people who are going to be paying
23 taxes on that. We look forward to paying the
24 remainder of this loan off as quickly as possible
25 and returning to solvency.

1 Thank you. We're happy to take your
2 questions.

3 MAJORITY CHAIRMAN COX: Thank you,
4 Secretary Berrier.

5 I'd like to remind individuals who are
6 participating virtually to let your Chairman or
7 your Executive Director know that you'd like to
8 be placed on the list for a question. I believe
9 you can also use the raise your hand feature
10 within Microsoft Teams. And so I would encourage
11 you to, if you have a question, go ahead and get
12 your name on the list, if you will, and we'll
13 walk through.

14 At this point, I'd like to open with a
15 couple of questions. You mentioned a fair amount
16 of overpayments. And the overpayments you were
17 speaking of were the, what I'll call the past
18 fraudsters. So we'll call it the at fault
19 overpayments. And it was the interest charge
20 that we're trying to return to them, so that's a
21 necessary thing.

22 Overpayments from last year continue to
23 be a problem and an issue with my office. My
24 office is hearing about it, and I know other
25 Representatives are hearing about it, as well.

1 So people, they either destroy the card, the
2 ReliaCard. Some of them have written checks and
3 sent it back. The money has not been getting
4 timely credited to their account, and so they
5 continue to receive notice after notice after
6 notice.

7 What is the Department doing to address
8 that because those are not overpayments at fault.
9 Those are overpayments on administrative glitch,
10 whatever. What is the Department doing to
11 address those? Because my office is now dealing
12 with that type of thing more than some of these
13 other issues we've seen during the pandemic?

14 SECRETARY BERRIER: No. Thank you,
15 Representative. And I think it's a good
16 opportunity for us to highlight what we've
17 recently implemented within our new Ben Mod
18 system to help address that. I mean, obviously
19 with the breadth of claimants we've had file for
20 benefits during this period, you know, the number
21 of overpayments that have occurred have also
22 increased exponentially.

23 When we went live with the new system,
24 one of the features that was a bit lacking that
25 we found was the repayment feature. I think it's

1 my understanding, Susan, that we have recently
2 corrected that issue while working with our
3 vendor GSI. Now we have made the process easier.

4 If you would you like to describe the
5 process a little bit, Susan.

6 MS. DICKINSON: So when it comes to the
7 overpayment repayment, we have a group of clerks
8 who actually do those physical payments. Even
9 though we do have an updated system, they still
10 need to do the actual manual transaction, put it
11 in the system. It's certainly much easier than
12 it was back in our legacy system, but they still
13 have to take that step.

14 So we have all of the money that we get
15 back from people directly, plus we have all of
16 the money that Treasury has taken back. And if
17 you saw their presentation on Friday, I believe
18 they were estimating one billion dollars was
19 their total that they've taken back and
20 prevented. So they have to send all of that
21 money back to us, and then we manually have to
22 put it back into the accounts.

23 So it is a large volume that we're
24 dealing with, as you can imagine. Their one
25 billion dollars plus anything else that we also

1 are receiving. So it is just taking some time in
2 order to get through that.

3 MAJORITY CHAIRMAN COX: Okay. Do you
4 have a timetable as far as when you anticipate
5 getting a handle on the majority of these or --

6 MS. DICKINSON: I don't have a specific
7 timetable, but now that the Federal programs have
8 ended, that does free up a lot of staff to be
9 able to, you know, look at that, gloves like
10 that, and be able to process more of it.

11 MAJORITY CHAIRMAN COX: Okay. The other
12 thing I'm continuing to hear about from
13 constituents is the ticket system.

14 Representative Maloney at one of the prior
15 hearings was saying, you know, a ticket is one
16 thing, but when you're at a deli, you're not
17 there for the ticket, you're there for the
18 sandwich. I like the analogy because people are
19 waiting for payment. They're waiting for
20 resolution of a concern or whatever. They're
21 looking for answers.

22 So they continue to call, and I'm getting
23 the people -- when they don't get answers or they
24 end up getting oh, sorry, we can't help you right
25 now, but your ticket number is whatever, that's

1 not providing them with any level of resolution.

2 why are we still getting -- why are
3 ticket numbers still being handed out? We've got
4 more staff than we've ever had. The Federal
5 programs have ended, like help me understand why
6 the ticket system is still plaguing our
7 constituents.

8 A. Sure. And we actually -- excuse me.
9 We actually just did a look into our ticketing
10 system to see what's happening. And on
11 average, every person has four tickets. So we
12 have a lot of duplication that's happening.
13 So we're looking at trying to adjust some
14 resources around a little bit. Right now, the
15 tickets are back just a few weeks. And so now
16 that we know that there is all of this
17 duplication -- and we're going to see if we
18 can remove some of those duplicates
19 technologically -- that should then focus our
20 resources better on being able to actually
21 handle the issues.

22 As you may know, the tickets are taken by
23 contractors. And then it goes to the staff
24 behind the scenes who are actually UC experts, so
25 they are able to then process the claim and do

1 what's needed on the claim.

2 so that helps them because then they're
3 not spending their time, you know, answering the
4 phone calls, answering the general questions. We
5 have those contractors who can do that. So you
6 know, that's where we're going to go. And it
7 seems now that, especially because our ledge
8 [phonetic] web is caught up and, you know, those
9 tickets are within 24 hours, now we can have more
10 resources then handling the tickets on the phone
11 and being able to handle those claims.

12 MAJORITY CHAIRMAN COX: Thank you.

13 At this point, we're going to go to
14 Representative Krueger, who's joining us
15 virtually. And then we'll continue with
16 questions. Probably within this window of time
17 I'll be stepping away, so when the camera comes
18 back, it will be on Representative Nelson working
19 in my stead here.

20 But Representative Krueger, when you're
21 ready, please ask your question.

22 REPRESENTATIVE KRUEGER: Thank you,
23 Mr. Chairman.

24 And thank you so much, Secretary, for
25 joining us today and for these continued updates

1 on the UC system.

2 I know that you testified earlier that 75
3 percent of the new claims that were filed since
4 June 8th were determined to be fraudulent, and so
5 understandably, the Department has taken a number
6 of steps to try to prevent fraud. But in our
7 office, we're finding that many eligible
8 claimants have been impacted, and most of the
9 outstanding claims apparently still are under
10 some type of review process.

11 Now, when these folks call my office,
12 they are infuriated with the wait times. They
13 are very, very upset. And frankly, I understand
14 their frustration. We have one constituent whose
15 payments stopped on December 23rd. We flagged
16 it, and there's still no payments. There's
17 another whose payments stopped at the end of
18 July. We flagged it, and there's still no
19 response or payments on that one.

20 So my question is this. It's my
21 understanding that the review process was
22 supposed to speed up the help that people were
23 going to get with some additional legal teams to
24 gather the information so the reviewer could make
25 a decision. Is that still the process?

1 And what is the projected timeline for
2 folks who are still awaiting a decision?

3 SECRETARY BERRIER: Representative, thank
4 you very much. You know, and this is just one of
5 the very unfortunate consequences of all this
6 fraud and the impact that it has had on our
7 resources. And like I said before, this is
8 completely despicable that we've had to redirect
9 our resources to fight something that we
10 shouldn't have to fight and take away those
11 resources from people who desperately need them.
12 You know, what I'm finding when I review these
13 individual cases, because I've started taking a
14 personal -- a personal look at a lot of these
15 cases just to see where -- try to troubleshoot
16 myself, and with Susan, where our pain points
17 are.

18 And you know, what I'm finding is that
19 these cases are very complex. And a lot of
20 times, people kind of generalize them as being
21 simple. I haven't received my payment since
22 December, I haven't received them since July, but
23 in fact, they're a lot more complicated than
24 that. And you know, so giving a timetable isn't
25 necessarily applicable because it really depends

1 on what the person needs to do. What the issue
2 is that they have on their claim. You know, I
3 think that we've done a really good job clearing
4 out our backlogs. Unfortunately, some of these
5 claims just take time to process, time to get
6 additional information.

7 And frankly, I'm finding that in a lot of
8 cases, you know, there's some misunderstandings
9 from the claimants. They don't understand what
10 they need to be providing us and they need a
11 little bit more of special care to be walked
12 through the system. So you know, which results
13 in times that they're calling us several times to
14 get that information correctly.

15 So you know, I know that doesn't
16 necessarily answer your question, but we have
17 made great progress and have really improved and
18 will continue to improve the customer service
19 that we provide and will continue to resolve
20 these claims as quickly as possible.

21 REPRESENTATIVE KRUEGER: So to follow up,
22 Secretary -- and I appreciate that. And I
23 appreciate that the scope of the fraud is much
24 greater than, I think any of us expected, but
25 again I've got a constituent who's been waiting

1 for payment since December 20th. That's before
2 Christmas last year. And when we flagged it
3 through the legislative system, we were told that
4 he needed to upload to the ID Me. He sent it in
5 multiple times and still there's no payments.

6 So we're now in September, and frankly, I
7 think it's not acceptable for someone to be
8 waiting for payment since December.

9 SECRETARY BERRIER: Well, Thank you,
10 Representative. I'd really be interested to look
11 into that a little bit further and see if --
12 what's going on there because I -- that seems to
13 definitely be the exception. Most of the cases
14 that we're looking at appear to be more current.

15 REPRESENTATIVE KRUEGER: Well, we'll flag
16 this through the review system yet again. I have
17 my staff has already submitted these two cases
18 and we're still waiting for answers.

19 Thank you.

20 ACTING CHAIRMAN NELSON: Thank you,
21 Representative.

22 Our next question will be from
23 Representative Gleim.

24 REPRESENTATIVE GLEIM: Thank you for
25 being here. And I would like to just piggyback

1 off of Representative Krueger's question because
2 it falls in line with mine. I wish that you guys
3 would have done the ID Me when you launched. I
4 think that that probably would have solved at
5 least some of the problems, but I mean, hindsight
6 is 20/20.

7 So I have similar constituents who've
8 been waiting and have been flagged for fraud. At
9 what point are you going to be telling that
10 constituent that their claim is fraudulent?

11 SECRETARY BERRIER: So that is something
12 we're currently working through in our system
13 right now. We do have a good grouping of
14 individuals that -- whose claims have been
15 flagged for fraud. Unfortunately, with the
16 breadth of that, we have to work with our vendor
17 and we're hoping to do that within the next two
18 weeks, send out those notices so that they can
19 appeal or do the appropriate process in response.

20 REPRESENTATIVE GLEIM: Okay. Thank you.

21 Because it would probably help us, you
22 know, go through that process with them. And
23 then, the other question I have is as things are
24 coming through you through ID Me and they're
25 being flagged as fraudulent, meaning that there's

1 been some identity theft perhaps, what are you
2 doing to notify the person that they -- that
3 there has been some sort of identity fraud
4 through the workers' comp system?

5 SECRETARY BERRIER: That is a really good
6 question, Representative. I -- Susan, maybe you
7 have a little bit more information about how the
8 ID Me process works.

9 MS. DICKINSON: Sure. So when it comes
10 to the ID Me process, they actually don't send
11 back failures. They only send us people who
12 pass. So in our system is when we have -- it's
13 like an issue that's on the claim that only gets
14 resolved if the person passes. So everybody
15 actually has the issue and you can only get it
16 removed if you pass the ID Me verification.

17 So for those who do not pass ID Me
18 verification, we give them a specific amount of
19 time and then we'll be issuing a denial on the
20 claim for failure to verify.

21 REPRESENTATIVE GLEIM: Okay. So does the
22 victim ever receive a letter saying that we've
23 identified fraud under your name and it has been
24 resolved or it's in process or just -- like the
25 victim of it? I was just wondering.

1 MS. DICKINSON: If we need to get in
2 touch with the victim to get some sort of
3 documentation of who they are, then they will,
4 but they -- it's possible that they may not.
5 That's not something that is -- is a definite
6 part of the process. It's only if we need to
7 reach out for some reason.

8 Unfortunately, the problem is a lot of
9 this information that they gave us, like phone
10 number, e-mail address aren't correct for the
11 person, so we really can't reach out to them
12 other than possibly by mail. A lot of the
13 fraudsters, they like to use the person's real
14 mail address, which is how they receive a lot of
15 our documentation and they learn about it. You
16 know, they were receiving checks or debit cards,
17 et cetera.

18 So that might be the only way that we can
19 reach someone. And of course, you know, a lot of
20 people get confused because the information may
21 include their maiden name which they haven't used
22 in 20 years, you know, things like that. So
23 that's usually the story that we hear when people
24 do contact us. So any other quicker way like a
25 phone call or something isn't really possible

1 because of them not having -- us not having the
2 correct information for that person.

3 REPRESENTATIVE GLEIM: Okay. That's all
4 for now, Mr. Chairman.

5 ACTING CHAIRMAN NELSON: Thank you,
6 Representative. And following up on
7 Representative Gleim's question about
8 notification to victims, we've seen a number of
9 considerable dollar amount payments went out not
10 to them, but to somebody else. The concern that
11 they've reached to our office has been on will
12 they, you know, when it comes time for tax
13 filing, they maybe found out through happenstance
14 or they received a letter and they're very
15 concerned that this will cause a consequence when
16 they're doing their tax filing.

17 Is there notice provided, let's say, to
18 the Department of Revenue? Or how is that handled
19 for the accountability piece?

20 MS. DICKINSON: So actually, this year
21 when it came to personal income taxes, the IRS
22 kind of issued a blanket statement saying -- no
23 matter which state you're in, not just
24 Pennsylvania -- do your taxes based on what you
25 actually earned. Don't worry about getting a

1 corrected 1099 from the state because that is
2 just too much for the states to handle. They
3 know that the volume of fraud is way too high and
4 there's no way we could have issued additional
5 ones.

6 So when it comes to employer taxes and
7 what's going to happen there, what we're going to
8 be doing, I just mentioned the failure to verify
9 and the denials we're going to do. When we do
10 those denials, that sets up an overpayment in the
11 system which automatically credits the account.
12 So there shouldn't be any of those credits or any
13 of those charges, you know, by the end of the
14 year when it comes time for tax filing season.
15 You know, those will end up being reversed and
16 those should not be on the account.

17 ACTING CHAIRMAN NELSON: That's great.
18 And that's really some positive news for the
19 people who were victims of those, you know, of
20 those crimes.

21 Our next question goes to Representative
22 Innamorato. She's virtual.

23 REPRESENTATIVE INNAMORATO: Thank you so
24 much. And thanks for being with us, Secretary.

25 I want to build on the line of

1 questioning that has already been presented,
2 that's the continued perspective of what's
3 happening on the ground in our legislative
4 offices. So you know, I've experienced a number
5 of problems that have already been expressed here
6 during the hearing, but I want to talk a little
7 bit about ID Me.

8 We've seen a number of issues come up
9 with that process and some of it is, you know,
10 users who are just unfamiliar with the process.
11 It's highly technical from their perspective and
12 they're not able to complete the requirements,
13 and they may not have the technology at home to
14 be able to do that. And sometimes, you know,
15 they come into our office and they sit there for
16 two hours and try to go through the process, and
17 we try assist them. And you know, well, we're
18 not able to get anywhere with that. So you know,
19 it's been disappointing to see how that
20 technology has failed the people who are applying
21 for benefits that they were entitled to.

22 So our only response really has been to
23 submit through the portal. And what we've seen
24 is a, I would say a decrease in quality of
25 answers that we're receiving from the portal

1 where they're telling us in the case of ID Me or
2 some other issue to contact CareerLink. And
3 then, when you contact CareerLink, they state
4 specifically that they're unable to process
5 unemployment claims, provide assistance or
6 information, provide technical assistance, and
7 the UC phone is unavailable until further notice.

8 So I'm wondering if you could just talk
9 about how your team is working with the folks at
10 CareerLink and deploying resources on the ground
11 so that we can get higher quality answers and
12 responses for the people who are contacting our
13 office.

14 SECRETARY BERRIER: Thank you,
15 Representative. And it is a shame that we had to
16 implement identity verification into the system.
17 And you know, we do realize that it poses an
18 extra hurdle to claimants who are filing for
19 benefits that they desperately need. And you
20 know, it's something that we didn't want to do,
21 but we're -- really, our hand was forced. And I
22 think that's just the way the UC system is moving
23 nationally as Federal DOL has authorized funding
24 for all states to implement identity verification
25 software for UC systems. So I don't see this

1 going away, unfortunately.

2 The good thing about ID Me is that it's
3 one of the leaders in this area. And I know at
4 some point they're looking at doing more of a
5 physical presence for the individuals who may
6 have not have the digital literacy to provide the
7 identification. So that is something that we
8 definitely look forward -- a feature we
9 definitely look forward to having in the future.

10 Concerning the CareerLink, I'm actually
11 going to pass that off to Susan because we do
12 have some good news regarding that.

13 MS. DICKINSON: So we actually -- well,
14 at first, I would say that the response that
15 you're receiving to just send them to the
16 CareerLink may not be quite accurate. That's a
17 training issue and we'll look into that, but we
18 do have, starting several weeks ago, we have
19 representatives who are available in different
20 CareerLinks. They're typically -- they used to,
21 over the winter, have these individuals go to
22 CareerLinks help people with these questions just
23 because the winter is when everything is so busy.
24 So we have that same group of individuals. These
25 are the groups of individuals who do our rapid

1 response events. They go out and tell, you know,
2 employees where their company is laying them off,
3 how they go through the process and what they
4 have to do.

5 So those individuals are the ones who are
6 now in the CareerLinks trying to help people get
7 through the ID Me process that they're not quite
8 understanding how it works. We also do have a
9 bunch of resources on our website. We have
10 certain staff who have access directly to ID Me,
11 if it turns out to not be -- you know, sometimes
12 it is an issue on the claims end. They might not
13 be doing something right on that side. Or if it
14 does turn out to be a technical ID Me issue, we
15 have the staff who have the direct connection to
16 ID Me to be able to point it out and say, hey,
17 what's going on with this particular claim? Can
18 you give us some feedback?

19 And ID Me is actually a very good
20 partner. They have been very quick to answer us
21 and to resolve these issues. So you know, it is
22 a process that we're still working through. It
23 has been a good partnership. As I mentioned, ID
24 Me is very proactive in trying to help us solve
25 problems and also trying to help us, you know,

1 see the big picture of fraud happening throughout
2 the country and the things that they're seeing,
3 and the patterns that they're seeing.

4 So as we get more individuals, you know,
5 having to open claims and go through the process,
6 the good news is that they really only have to do
7 it once unless they do something like change
8 their Keystone ID or change their banking
9 information. Once they go through it once and
10 they file their weekly claim, you know, then they
11 can continue on weeks after that without having
12 to go through the process again.

13 REPRESENTATIVE INNAMORATO: Do you have a
14 timeline on when that would be deployed, that --
15 you mentioned the additional on-the-ground
16 assistance with ID Me.

17 MS. DICKINSON: We have already had them
18 out in different -- I don't know what their
19 schedule is, but you know, we could get that
20 information out as to which CareerLinks they're
21 in. And ID Me themselves are also looking to
22 have -- to be able to offer in any state some
23 physical locations where people could go and
24 verify their identity with them physically. So
25 we're in contact with them and hearing more about

1 their progress with that and seeing if it's
2 something that Pennsylvanians can use to do
3 verification in a different way.

4 REPRESENTATIVE INNAMORATO: I think that
5 would be really helpful to have a timeline and
6 have that information available for the folks in
7 our legislative offices who are helping these
8 folks.

9 And then one other question, and this is
10 the question I always ask at these things, which
11 is about the backlog. In your testimony, you did
12 say that there are about 121,000 people who are
13 still waiting for non-monetary determinations.
14 And you said that, you know, upon the
15 implementation of Ben Mod, that you're able to
16 get about 20,000 claims, which is double the
17 amount that you were able to in the old system.

18 Does that mean that we're looking at
19 about six weeks to get through that entire
20 backlog? Because I know we still are working
21 closely with five folks who have been waiting
22 since before March, who are waiting for their
23 determination. So I'm just hoping to hear more
24 about that and your progress on that.

25 SECRETARY BERRIER: (MICROPHONE

1 MALFUNCTION) I really do look forward to us
2 making progress in the next month and a half to
3 get that number down, but I can't promise that
4 number will be zero. It's never been zero, and
5 it never will be zero.

6 REPRESENTATIVE INNAMORATO: I apologize.
7 The sound kind of broke up, so I didn't hear your
8 answer entirely, but I do -- I will follow up on
9 kind of getting a more robust answer on how we
10 can help the people who have been waiting months
11 and months for a determination.

12 ACTING CHAIRMAN NELSON: Thank you,
13 Representative.

14 Our next question will be from
15 Representative Irvin.

16 REPRESENTATIVE IRVIN: Thank you, acting
17 Chairman. I appreciate that.

18 Thank you, Secretary, for being here.
19 Really appreciate your openness and transparency,
20 and you are a breath of fresh air whenever it
21 comes to dealing with the unemployment
22 compensation disaster issues that we've had here
23 over the last number of -- which has been out of
24 your control there somewhat.

25 But anyway, you know, to follow up on

1 what Representative Innamorato actually had said.
2 I think, you know, to get a fair picture of what
3 is going on on the ground, especially in our
4 district offices is, you know, very, you know,
5 something that you need to understand, I think.
6 And I know you've actually reached out to our
7 offices on a personal thank-you level, and I
8 appreciate that. So I wanted to give you
9 recognition for that here today.

10 You know, our office, our district
11 offices might as well just put unemployment
12 compensation up on their board on my name tag up
13 there instead of Representative Rich Irvin's
14 office. I look at it more at the 20,000 foot
15 level, where my staff is actually dealing into it
16 on an individual level and they're very good at
17 it.

18 And I'm sure just as my office is, across
19 the State, all district offices, they've been
20 forced to get into the weeds of unemployment
21 compensation and actually, you know, pick up the
22 ball and run with it, where -- where there's been
23 some shortfalls. And like I said, I'm not
24 criticizing your office whenever I say this, but
25 it just -- there was a lot there for you to

1 undertake, but we were the frontline workers
2 right now whenever no one can get through to UC.

3 And you know -- and I know CareerLinks
4 were brought up. I mean, many of the CareerLinks
5 across the state basically said, no, we're done
6 handling UC questions. We're not taking them
7 whatsoever. If you want to talk to someone about
8 it, you go to Representative Irvin's office, and
9 that's where we're at.

10 And so they're coming in and we do have,
11 like I said, my dedicated staff, they're coming
12 in. If someone is having problems with ID Me,
13 they'll say, well, do you have a cell phone or a
14 smart phone? And if they do have that smart
15 phone, you know, bring that in and we'll help you
16 get fixed up, and all the materials that you
17 need. And they've -- they sit there with them,
18 just as in Representative Innamorato's district,
19 we're sitting there with them for hours on end to
20 try to get that taken care of. Same with -- I
21 must say though, with us filing our legislative
22 tickets and the follow-ups on that, that does
23 seem to be moving, you know, along.

24 We are getting notice back and then my
25 staff will actually reach out and talk to the

1 individuals that once they get notification from
2 your office saying this is getting taken care of
3 and you should be getting your payment, you know,
4 on day X or whenever, they can call them and give
5 them that good news. So it does give us a little
6 bit as opposed to -- so thank you for that back
7 and forth between our legislative offices and the
8 unemployment compensation office. I think that
9 is very good, and it gives us a little bit of a
10 feeling of accomplishment that we've made a
11 difference in someone's life then.

12 So the tickets are working there as far
13 as in my district, and it's very nice to -- for
14 someone that calls in, they haven't heard
15 anything. They can look at the ticket number and
16 say, okay, well, you're here, so you will
17 probably be looked at on this day. It sort of
18 gives the constituent a roundabout time of
19 whenever they will be having their issue looked
20 at.

21 So you know, I guess I don't really have
22 too many questions, but I do think it's important
23 for you to understand, you know, that we're
24 looking at probably, six, seven, eight times the
25 amount of constituents in and out of our office

1 dealing with this than what we've ever had since
2 I've been a State Representative since the onset
3 of the pandemic.

4 Back to the CareerLinks, and I was very
5 glad to hear, Susan, that you said that you are
6 trying to get some staff into the CareerLinks and
7 go that direction. But I mean, that might be
8 something that we need from all of our
9 CareerLinks across the State. We maybe need two
10 people in there every day, you know, to answer
11 questions, help with ID Me's and everything of
12 that nature because constituents just, some of
13 your non tech savvy constituents especially,
14 they're lost. They have no way of doing it.

15 And then, if you would actually have a
16 computer in there with them, because we find
17 ourselves turning our own computers around and
18 helping them through that ID Me process. And
19 that might be something that would be able to be
20 done, even if you had a couple of cell phone
21 lines in there or smart phone lines that were
22 State-owned that you could even push, you know,
23 because I think it's easier to do it on a smart
24 phone, set up your ID Me than it would be through
25 a computer.

1 I might be wrong on that. Like I said, I
2 look at it from the 20,000 foot level. I become
3 more of a secretary in the office more than
4 anything whenever I'm there saying, no wait, my
5 one staff member will be with you shortly after
6 they're done with this person. So anyway, I
7 don't mean to go on on that, but I do think it's
8 important for you to understand it. And I will
9 yield back.

10 Thank you.

11 ACTING CHAIRMAN NELSON: Go right ahead,
12 Madam Secretary.

13 SECRETARY BERRIER: You know, thank you
14 to all the staff of all legislative offices. I
15 mean, I know that you've been facing, you know,
16 unpleasant calls and you've been dealing with and
17 your staff have been dealing with a magnanimous
18 task. And we really, really are thankful and
19 grateful to have your staff and your offices
20 there. And we look forward also to a day where
21 that doesn't happen.

22 So definitely we'll take your feedback
23 regarding the CareerLink. I agree. We'd like to
24 have the resources in the CareerLink and take
25 that burden from your office so you guys can

1 focus on what you need to focus on.

2 ACTING CHAIRMAN NELSON: Thank you,
3 Representative.

4 Secretary, probing a little bit deeper
5 into the separation issue and the backlog. It is
6 recognized that, you know, we carried a -- let's
7 say that 60,000 case backlog, which was one of
8 the initial impetuses of trying to enhance the
9 computer system so the -- so the target goal
10 would be much less. Can you touch on the time
11 line of the individuals that are involved, you
12 know, personally at our level, whether it's the
13 veteran that the switch to Ben Mod has suspended
14 his benefits or that single mom that's trying to
15 make -- there are so many individual cases that
16 it's the length of time for resolution that
17 really is causing some pain points.

18 SECRETARY BERRIER: No, absolutely. And
19 I believe that, you know, as far as switching
20 systems, I don't believe that is any -- that's an
21 issue any longer. And I'm really interested if
22 you do have some specific cases that do highlight
23 that issue.

24 Susan, I'm actually going to defer to you
25 because I know you're working on trying to get

1 those backlogs down.

2 MS. DICKINSON: Sure. And actually, I
3 guess I should further define what the backlog
4 is. We always call it a backlog for years and
5 year and years, but it's the number that we're
6 working on, plus the backlog, if that makes
7 sense. So like the lowest I've ever seen the
8 backlog in the last 15 years was around like 10,
9 12,000 because that's -- think of it as a working
10 inventory of what our examiners are working on.

11 If we had zero, our examiners wouldn't be
12 working on anything. So in any case -- so when
13 it comes to like a typical year, you know,
14 normally, like I said, 10, 12,000, that's a good
15 place to be. It obviously depends on how many
16 staff we have in the moment. And then in the
17 busy season, it will be about 25,000, you know,
18 in the height of January. So to give you some
19 context as to like what the numbers usually are
20 like. And that was of course in our legacy
21 system.

22 So now that we have our new system and
23 the examiners have doubled the production that
24 they had before -- because it is easier to use.
25 It's one system where you have everything you

1 need, and it's not multiple systems you're
2 logging in to try to get information from, it's
3 gone much more smoothly. And that's how we're
4 able to knock down that backlog in these last
5 three months since we've gone live.

6 So -- excuse me. So it -- we have been
7 making incredible progress. And the math of --
8 that we were talking about before of, you know,
9 it being gone in six weeks, that's probably not
10 exactly going to be true, only because we do have
11 incoming claims. The backlog is added to every
12 day as more claims are filed, but it really is
13 looking promising. We have a Federal requirement
14 that we have to have 80 percent of our cases
15 decided within three weeks of finding an issue on
16 a claim. In the past, we were just shy of that.
17 But of course the pandemic, that -- that has
18 dropped. But now we are increasing, and that's
19 something that the Department of Labor looks at
20 quarterly.

21 So you know, this -- you know, that's the
22 measure that they, you know, look at to determine
23 how well we're doing with that, and we are
24 improving. So you know, as time goes on, you
25 know, typically three weeks, even though it's the

1 standard for 80 percent of claims, it's not where
2 we're at right now, but it is going to cut down,
3 you know, there's no specific number of weeks
4 right now. It depends on the issue.

5 some people are really easy. They have
6 something that we just have to talk to them about
7 or it's one of those issues where you go back and
8 forth with the employer, maybe you have another
9 party. So it depends on the case, you know, how
10 long it takes to resolve it.

11 ACTING CHAIRMAN NELSON: And that's great
12 to hear that Federal expectation, the 80 percent
13 within three weeks. How -- what would be even a
14 rough guesstimate of the number of weeks that
15 we're averaging now that claims are in the
16 system? I know it feels like from our
17 perspective that those weeks are longer because
18 we hear, you know, that 120,000 -- and it's a lot
19 longer when you're the person waiting for that
20 payment.

21 where would you, rough estimate, you
22 know, the number of backlog weeks currently.

23 MS. DICKINSON: I don't exactly know,
24 but you know I've seen some cases decided in two
25 weeks. And I've seen other cases that have taken

1 months. So it really is very dependent on the
2 case and the information that we have.

3 It is amazing how much gathering
4 information is a challenge, trying to get ahold
5 of parties. You know, we did launch our texting
6 initiative where we can text someone and say,
7 hey, we're going to call you in 10 minutes, and
8 it's worked phenomenally. We've had a lot of
9 people then answer their phone and we're able to
10 get the information, which I think has also
11 helped -- you know, that came right on the tails
12 of launching the new system. So that's helping
13 our productivity as well to be able to get what
14 we need right up front.

15 ACTING CHAIRMAN NELSON: Maybe if
16 possible, that could be an action item to follow
17 up to Committee members today where that, you
18 know, the average -- the average is.

19 Our next question will be from
20 Representative Davanzo.

21 REPRESENTATIVE DAVANZO: Thank you acting
22 Chair Nelson.

23 Thank you both for being here this
24 morning.

25 I just want to touch on what

1 Representative Irvin had touched on. A few weeks
2 ago I had a guy come into my office. He didn't
3 like the answer my staff gave him. Threatened to
4 go home, get a gun, and come back and harm my
5 staff. My office looks like Fort Knox now. You
6 know, my staff doesn't want to go to work every
7 day.

8 Is there a point in time to where, you
9 know, you guys can say, we got this? You know,
10 is there a goal date of let's just say, six
11 weeks, hey, listen, we're going to tell
12 CareerLinks, your answer now is we're going to
13 handle this instead of, you know, pushing it off
14 to the Representatives? I don't have a problem
15 helping. That's what we're here. I want to
16 help, but I just feel that line has been crossed.

17 How do we get it back into your hands
18 would be the first part? And in the previous
19 couple of hearings, I had asked, you know, what
20 -- like your staff, how many is in person? How
21 many is there? What's the efficiency of it?

22 Could you just touch on that for a
23 minute? Thank you.

24 SECRETARY BERRIER: So, yeah. And I'm
25 actually really glad you asked that question. We

1 are seeing a light at the end of the tunnel,
2 which is very promising.

3 with the ending of Federal programs,
4 programs as, you know, have reached individuals,
5 Pennsylvanians, that we have never serviced
6 before. So that really greatly increased our
7 workload. With the ending of those Federal
8 programs, we have noticed a market of marked
9 decrease in the number of individuals who are
10 reaching out to us.

11 I'm really hopeful by the winter that we
12 will be able to manage our caseloads. That is
13 what we're aiming for. We're aiming for to be
14 able to handle our work as quickly as possible,
15 and we do see that time coming very soon. You
16 know, obviously, there's always going to be
17 individuals that reach out to your offices with
18 issues that they might have with your program
19 area.

20 I think that that's something that
21 currently has happened, but understandably, the
22 volume has never been like this before. So we
23 look forward to being able to handle our workload
24 without bothering you.

25 REPRESENTATIVE DAVANZO: It's not that

1 you're bothering us. I don't want it to come off
2 that way. You know, that's what we're here for.
3 But in the meantime, if there's something we can
4 do legislatively that we can assist, please.
5 Because our goal is, you know, to get everybody
6 off, back to work as soon as possible.

7 So thank you.

8 SECRETARY BERRIER: Thank you.

9 ACTING CHAIRMAN NELSON: Thank you,
10 Representative -- acting Representative. There's
11 a lot of love in this room, Secretary.

12 Personally, a question related to -- and
13 we appreciated meeting with members of the
14 Department when the Ben Mod was being developed.
15 Members came out, met with our -- a number of our
16 regional trades that were having trouble having
17 their members accept short-term jobs, those two
18 or three jobs, because it was knocking them
19 completely out of the system.

20 Can you touch on what you've seen? From
21 our side, it seems to be much better, but you
22 know, workers are hesitant to engage. So this
23 could be a helpful answer for those people that
24 are currently at a good point in the system, but
25 may be hesitant to put themselves at risk and get

1 into that 120,000.

2 MS. DICKINSON: Sure. So the way that --
3 and it would be partially just an education,
4 which I think had to happen, you know, not just
5 with the new system, but of course with basic
6 unemployment type of issues. So one of the
7 things -- so you're mentioning that they went
8 back to work briefly and it knocked them out of
9 benefits. So that could be from the fact that
10 someone is unemployed for a week, even if it is
11 just a week, and they've earned too much money or
12 I'm sorry -- employed -- they earned too much
13 money that week so they're considered full-time,
14 that the next week they go to file, they have to
15 reopen their claim.

16 And reopens has been something that for,
17 gosh, since the beginning of time, basically,
18 we've had to try to reeducate people on. I know
19 it makes sense -- well, I have a claim, why can't
20 I just claim some weeks and not claim other weeks
21 and work some weeks, et cetera? But that's -- a
22 fundamental part of the program is if you're
23 employed for a week and now the next week you're
24 asking for some sort of benefit from us, we have
25 to find out from you, why are you unemployed now

1 when you were employed last week?

2 So that's the concept behind reopens, and
3 that does trip a lot of individuals up.

4 Especially in the pandemic, some people were
5 working on and off. It wasn't necessarily every
6 week. It wasn't the same amount every week, so
7 it became, you know, a burden for them to be able
8 to understand, you know, what it is that they had
9 to do to get benefits from week to week.

10 So it could be related -- you know, the
11 example you gave could be related to that. It
12 could be reopens that they just had to do. I
13 know reopens in this system are easier because
14 they flow through the system. Reopens in our old
15 system had to be touched by a staff member. In
16 this system, it's modern, it handles it on its
17 own, it does not have to be touched by a staff
18 member. So it's easier for them to be able to do
19 that and not get held up. So that might be why
20 you're not hearing as much about it.

21 SECRETARY BERRIER: And Representative,
22 we also look forward to providing, as we get out
23 of this pandemic and out of our tsunami of
24 claims, we look forward to providing more
25 outreach and education. And we've also found the

1 how-to videos that we provided on YouTube have
2 been very helpful, too.

3 So some of these major pain points or
4 some of these really complex issues, we look
5 forward to developing specific materials for
6 claimants so that they can have that information
7 at their fingertips.

8 ACTING CHAIRMAN NELSON: That's
9 fantastic. Switching gears a little bit to the
10 recent settlement of the IBM lawsuit, you know,
11 for the first attempt at Ben Mod. And it's great
12 that the second attempt has made it across the
13 finish line. I think all of Pennsylvania is
14 going to benefit from that. I realized that
15 there are certain NDLS or nondisclosures that
16 you're, you know, bound to.

17 But Secretary, the question is, of that,
18 the \$33 million of the \$160 million, will that be
19 -- what account do you anticipate the Department
20 will be redirecting or backfilling those dollars
21 from within the UC system, you know, from an
22 Appropriations perspective?

23 SECRETARY BERRIER: That money is slated
24 to go back into administration of the UC system.

25 ACTING CHAIRMAN NELSON: So how will that

1 impact the Department's operating budgets, if
2 it's the administration side? So that's more man
3 power, personnel.

4 SECRETARY BERRIER: It's anything that
5 goes towards operating. And those are details
6 that we're currently looking at internally. You
7 know, we actually just received our funding
8 mechanism, additional funding from Federal DOL,
9 too. We receive funding from many different
10 buckets and we have -- we have meetings every
11 other week to discuss all these funding
12 mechanisms. And those are discussions that we
13 currently have underway.

14 ACTING CHAIRMAN NELSON: Thank you.
15 Thank you very much. I know you're going to
16 tiptoe through that area there.

17 SECRETARY BERRIER: Yes.

18 ACTING CHAIRMAN NELSON: Our next
19 question is Representative Gleim.

20 REPRESENTATIVE GLEIM: Hi. Sorry. I
21 have another question, but it has to do with the
22 U.S. Department of Labor audit that came out in
23 May. And I understood that from the report that
24 Pennsylvania was one of the 12 states at risk
25 identified for additional scrutiny, and that we

1 know that the PUA program was hit with large
2 scale fraud in PA.

3 And my question is, did we at least have
4 the required cross matches when the program went
5 live last year?

6 SECRETARY BERRIER: I will actually let
7 Susan discuss that. You know, to my knowledge, I
8 know that we were one of the forerunners with
9 preventing fraud within the PUA system, but I'll
10 let her highlight that.

11 MS. DICKINSON: Yes. So in our PUA
12 system, which is pretty much a mirror image of
13 the benefits modernization program that we have
14 now, they do have -- it's, you know, what they
15 call a COTS product. It's just a product that
16 the IT company has built, and then they, you
17 know, use that for different purposes and we rent
18 it, so to speak. So that's what the PUA system
19 is. And it came with a certain amount of cross
20 matches, like there's certain things such as
21 social security cross match that we do upfront
22 that are all built in.

23 Now, as the program guidance was issued
24 while the program was happening, they did add --
25 the Department of Labor add some suggested --

1 some suggested and a couple required cross
2 matches. So those weren't in right away, but
3 when they came around, then the vendor had to
4 work on putting them in. So a lot of them, you
5 know, weren't there from the get-go, but then
6 they had to put them in at a later time.

7 And I know there were some issues.
8 Sometimes they were in and then they
9 malfunctioned and they had to go back and redo --
10 any time you have any type of, you know, major IT
11 change like that, especially with interfaces, you
12 know, there's that risk of that happening. So
13 they did then work, you know, at getting all of
14 the different cross matches in. I believe they
15 are all in and all working, but of course now the
16 program is over. So usually those cross matches
17 are usually for new claims and new things coming
18 in, but now that the program is over, you know,
19 it's moot at this point.

20 REPRESENTATIVE GLEIM: Okay. And then
21 I -- if it's okay, Mr. Chair, I have one other
22 question to ask. Is that all right?

23 So this question went along the lines of
24 the interest overcharge issue. And so we know
25 that between 2006 and '16, the estimation was

1 approximately \$250,000, as you stated, claimants
2 that were affected. And \$19 million was
3 collected in error. I just -- this happened, I
4 think, during the Rendell Administration. This
5 happened a while back. And -- but it was just
6 discovered, I think, in 2016. And the media were
7 the ones that, you know, discovered it.

8 So looking upon that whole issue that
9 happened, I guess what I'm asking you going
10 forward is, what can your Department do to be
11 more transparent? If there's a mistake like this
12 made, are you willing to be more transparent and
13 admit mistakes that are made instead of, you
14 know, having it just come out in the media and
15 the General Assembly didn't know and a lot of
16 people didn't know?

17 So you know, what are you doing to fix
18 those kinds of issues and being more transparent
19 and making people aware?

20 SECRETARY BERRIER: No. And I think
21 that's a fair question, Representative. And it's
22 one of communication, certainly. And it was --
23 you know, it was an issue that, you know,
24 unfortunately at the time when I came on board,
25 you know, we were all about paying benefits,

1 dealing with our backlogs. And when, you know,
2 the right to know request came from Spotlight PA,
3 I mean, that's frankly when it was put on my
4 radar. And you know, it was kind of a perfect
5 storm of events, but moving forward, I think we
6 have a better communication procedure in place so
7 that we can funnel information out.

8 And you know, we are completely dedicated
9 to owning our mistakes and being transparent and
10 making sure that we are using taxpayer dollars
11 the way that we're supposed to and that we're
12 administrating the program the way that we're
13 supposed to. You know, I think we have fixed
14 those communication breaches, and we're ready to
15 move forward and do a better job.

16 Thank you.

17 ACTING CHAIRMAN NELSON: Thank you.
18 Thank you, Madam Secretary.

19 And I think we all agree that we're all
20 in this together and that spirit of transparency
21 and cooperation is important.

22 As I step away, I want to take a moment
23 and recognize Representative Darisha Parker, who
24 joined us some time ago. And I was trying to
25 entice her to come to the front, but she's in the

1 back. And I will gladly hand over the microphone
2 to Chairman Cox now that he's returned from his
3 voting meeting.

4 And Representative Jones, would you like
5 to move forward with your question virtually?

6 REPRESENTATIVE JONES: Yes. Thank you,
7 acting Chairman Nelson.

8 You just indirectly answered my first
9 question. I wanted to comment on what a fine job
10 you've done, and I was going to ask if we could
11 quickly run a couple of my bills before
12 Chairman Cox returned, but --

13 So my question is -- and thank you so
14 much for being here, Secretary. It's good to
15 hear about all the progress. It really is. So
16 we had a couple really good policy committee
17 hearings and similar type, you know, work tours
18 of businesses and, you know, so forth the past
19 month or so. And it's just remarkable how many,
20 you know, like really -- these are very good
21 jobs, you know, well above \$15.00 an hour,
22 benefits, you know, big name companies and/or
23 well established local companies.

24 And you hear these stories about, you
25 know, they're hoping to get 1,000 people at a job

1 fair and they get 230, so on and so forth.
2 You've heard this a lot. And I think with the
3 Federal government hopefully stopping the \$300
4 payments and paying people not to work, that that
5 will start to change. But I -- it did -- in a
6 couple of the hearings that I was involved in, it
7 was a question that came up, and I'm curious if
8 it's something that maybe other states are doing
9 or that you've considered, or maybe it's not as
10 big an issue as it appears to be, but it's good
11 that we reinstated work search requirements, but
12 it sounds like in some cases people are just
13 doing the bear minimum to check the box that they
14 searched for work.

15 And I'm curious, if someone searches for
16 work 10 times and they get six job offers and
17 they don't take any of them, is there any way --
18 are they ever held accountable for that? Is
19 there a way to do that? Is there a way employers
20 can report and say, you know, we offered this
21 person a job, they declined it? That's fine.
22 You certainly should be able to decline a job.
23 That's not my point.

24 But if you got that same report, you
25 know, seven or eight -- you pick the number, but

1 if they declined seven or eight or 10 job offers,
2 at some point -- we can debate what number that
3 is; again, it's not one or two -- is that
4 something we ever considered, or is it done
5 anywhere else? Do you think it's got any merit?

6 Thank you.

7 MS. DICKINSON: So that is a refusal of
8 suitable work issue and that has been a part of
9 our law forever probably. So we have had a form
10 on our website where employers can report this to
11 us. It predates the pandemic. It's been up
12 there for quite a long time, but I think the
13 pandemic brought a lot of attention to it. So
14 now a lot of employers do know it's there. So if
15 someone does refuse suitable work -- and that
16 could be either a person who does work for you,
17 who does the recall, or it could be someone who
18 you interviewed who, you know, is turning down
19 the job, obviously you're not going to know if
20 that person has an unemployment claim or not, but
21 you could report it just in case they do.

22 So an examiner, what they do is they then
23 look -- the first question they have to ask is
24 whether or not the work is suitable. And they
25 will look at the person's background and see what

1 the requirements of the jobs were and see if it
2 is suitable work. And if they did not have a
3 good reason to refuse it, then that would be a
4 denial.

5 REPRESENTATIVE JONES: Thank -- thank
6 you. I appreciate that, and I apologize for my
7 ignorance on the subject. I learned something
8 there.

9 I will tell you that at least the
10 employers we were dealing with did not seem to be
11 aware of that. So that's something we probably,
12 as Representatives, and maybe as the Department,
13 we ought to be educating them on that. I'm sure
14 many of them are. So that's good to know. I
15 appreciate that very much.

16 Thank you.

17 MAJORITY CHAIRMAN COX: All right. We do
18 not have any others waiting in the queue for
19 questions. And I'm looking around here and we
20 don't have anybody waiting to ask questions, as
21 well.

22 I do want to thank you again for
23 testifying and for providing us with the
24 information. I do want to thank you again -- I
25 know I've mentioned this before -- the

1 communication since you have become Secretary at
2 Department of Health -- or Department of -- I
3 just came from a Health hearing, I apologize.

4 The communication has been vastly
5 improved. I've gotten heads-up calls from you a
6 number of times. The lines of communication are
7 very much more open, and I do appreciate that.
8 It is helpful. As co-equal branches of
9 government, we have to communicate. We have to
10 try to tackle things as they come up. So I feel
11 comfortable and confident that you'll continue to
12 do that. I appreciate that, and I wanted to put
13 it in public record. And I've said it before,
14 but it is something that is very valued. It's
15 not always been the case, so I appreciate that.

16 With that said, seeing no other questions
17 and no other commentary at this point, I want to
18 thank both of you and I trust you'll have a good
19 day and good remaining week.

20 SECRETARY BERRIER: Thank you.

21 MS. DICKINSON: Thank you.

22 MAJORITY CHAIRMAN COX: Thank you. This
23 meeting is adjourned.

24 (Whereupon, the proceedings concluded
25 at 11:40 a.m.)

C E R T I F I C A T E

I hereby certify that the proceedings are contained fully and accurately in the notes taken by me from audio of the within proceedings and that this is a correct transcript of the same.

Tiffany L. Mast

Tiffany L. Mast

Court Reporter

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