

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

LABOR & INDUSTRY COMMITTEE
PUBLIC HEARING

STATE CAPITOL
HARRISBURG, PA
RYAN OFFICE BUILDING
ROOM 205

WEDNESDAY, October 13, 2021
10:00 A.M.

BEFORE:

HONORABLE JIM COX, MAJORITY CHAIRMAN
HONORABLE GERALD MULLERY, MINORITY CHAIRMAN
HONORABLE ERIC DAVANZO
HONORABLE TORREN ECKER
HONORABLE BARBARA GLEIM
HONORABLE JAMES GREGORY
HONORABLE RICH IRVIN
HONORABLE DAWN KEEFER
HONORABLE RYAN MACKENZIE
HONORABLE LORI MIZGORSKI
HONORABLE ERIC NELSON
HONORABLE MICHAEL PUSKARIC
HONORABLE DAVID DELLOSO
HONORABLE SARA INNAMORATO
HONORABLE LEANNE KRUEGER
HONORABLE JEANNE MCNEILL
HONORABLE JENNIFER O'MARA

*Pennsylvania House of Representatives
Commonwealth of Pennsylvania*

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COMMITTEE STAFF PRESENT:

JOHN SCARPATO
MAJORITY EXECUTIVE DIRECTOR
JONAS RICCI
RESEARCH ANALYST
MCCLAIN FULTZ
RESEARCH ANALYST
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ADMINISTRATIVE ASSISTANT

HALEY SALERA
MINORITY EXECUTIVE DIRECTOR
EVAN FRANZESE-PETERSON
RESEARCH ANALYST

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SUBMITTED WRITTEN TESTIMONY

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(See submitted written testimony and handouts online.)

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3 MAJORITY CHAIRMAN COX: I now call this
4 meeting to order. I would like to begin by
5 starting off with the Pledge of Allegiance.

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

8 MAJORITY CHAIRMAN COX: I would like to
9 welcome everyone who has joined us in person and
10 those have joined us virtually today. This is
11 our hearing of the House Labor and Industry
12 Committee. I do want to remind everyone that
13 this meeting is being recorded. So I would ask
14 that all members and guests please silence their
15 phones and any other electronic devices.

16 I would like to start by asking Jen to --
17 we're going to dispense with the calling of the
18 roll, since it is an informational hearing.
19 Sorry. All right. I will get it together.

20 I call this hearing as part of our
21 Committee's ongoing oversight over the situation
22 within the UC system that was created by the
23 pandemic. Today we've asked the Department to
24 come in and discuss a few issues, unemployment
25 compensation issues, specifically the fight

1 against organized identity theft fraud, the
2 ongoing performance of the new benefit system,
3 and the wind-down of the Federal programs, in
4 addition to the identification and processing of
5 fault and fraud overpayments, including claimant
6 fraud.

7 we have had regular updates. We
8 appreciate the Department's willingness to do
9 that. There's no perfect answer, we know that.
10 But we do appreciate the progress reports that
11 you provide us and the ongoing communication you
12 have provided us between these meetings. So I do
13 want to say publicly that I do appreciate that.

14 Chairman Mullery, do you have any opening
15 comments at this point?

16 MINORITY CHAIRMAN MULLERY: No. I just
17 want to thank you for being here, and I look
18 forward to hearing your testimony today.

19 MAJORITY CHAIRMAN COX: All right.
20 Again, today we've asked for the Department to
21 provide an update on the implementation of the
22 new system. And with us here in person we have
23 Secretary of Labor & Industry, Jennifer Berrier,
24 and also the Deputy Secretary for the
25 Unemployment Compensation Program, Susan

1 Dickinson.

2 Thank you both for joining us. We've
3 traditionally been swearing everyone in. If you
4 wouldn't mind, please rise so you can be sworn
5 in.

6 (Whereupon, the testifiers were sworn en
7 masse.)

8 MAJORITY CHAIRMAN COX: Thank you. I
9 have asked the Department to begin with a
10 10-minute opening statement, and then we'll use
11 the remaining time for questions from Committee
12 members both in person and online.

13 In case I forgot, I want to remind
14 individuals online and also in person to reach
15 out to your executive director, send a text -- in
16 person, get our attention otherwise -- but let us
17 know that you have questions. But before we get
18 to those questions, Secretary Berrier, when
19 you're ready, you may begin.

20 SECRETARY BERRIER: Thank you. Good
21 morning, Chairman Cox, Chairman Mullery, and
22 members of the House Labor and Industry
23 Committee.

24 I appreciate the opportunity to appear
25 before you this month to provide you with an

1 update on the unemployment program and the
2 progress that the Department has made in several
3 areas. Since I have assumed this role in
4 December of 2020, I can honestly say that the
5 Department is in a much better place with
6 customer service, determinations, fraud, and
7 recovering from an unprecedented wave of
8 unemployment claims that was the direct result of
9 the COVID-19 pandemic. We have learned a lot of
10 lessons and best practices, and we continue to
11 improve processes and outreach daily.

12 It has been four months since the
13 Department launched its new modernized UC system.
14 During that time, approximately 525,000 claimants
15 have been paid nearly \$3 billion dollars in
16 benefits. While the system does not yet have all
17 the bells and whistles that we want at this time,
18 we still continue to work closely with our
19 vendor, GSI, to make continuous improvements and
20 upgrades. We also continue to work closely with
21 our stakeholders to ensure that the improvements
22 that would make the system work more ideally for
23 them are incorporated.

24 As you are aware, on September 4th, the
25 Federal pandemic programs expired. After the

1 expiration of the PUA and PEUC benefits that were
2 created by this Federal legislation,
3 approximately 572,000 individuals were no longer
4 eligible for benefits. After September 4th,
5 approximately 80,000 claimants continued to
6 receive traditional UC benefits. And as of
7 October 12th, nearly 72,000 claimants are
8 receiving unemployment benefits.

9 A few other things that also expired on
10 September 4th included the waiver and
11 reimbursement for the waiting week. Any
12 Pennsylvanian who files for unemployment
13 compensation after September 4th must wait one
14 week before benefits are payable. Also, work
15 registration requirements were reinstated for UC
16 claimants. As discussed at the last meeting with
17 the wind-down of the Federal programs, the
18 Department has beefed up its opportunities
19 through the PA CareerLink System.

20 The department is adapting to the
21 changing needs and opportunities for employers
22 and workers alike after the events of the past 18
23 months. One exciting opportunity that I would
24 like to mention to you today is the launch of
25 SkillUp® PA. SkillUp® PA provides a 24/7 online

1 mobile-friendly learning environment that allows
2 anyone who is registered with a CareerLink to use
3 for free. Users can access more than 6,000
4 learning modules, 130-plus career pathways,
5 assessments, and other resources to help them
6 increase their abilities to help them meet
7 employers' needs in areas such as: computer
8 skill, health care, manufacturing, human
9 resources, and more. We are very proud to offer
10 this opportunity, and we look forward to its
11 success.

12 And while we are on the topic of
13 CareerLinks, we have engaged our partners to help
14 us implement a manual identity verification
15 process to ensure that claimants who are able to
16 verify their identity at a physical location,
17 even if they are not digitally literate, or if
18 they have technical issues registering through ID
19 Me. This process is now currently available at
20 all CareerLinks across the Commonwealth. And to
21 date, we've had over 500 claimants use this
22 manual verification process. So we thank you for
23 your patience as we continue to work through this
24 new -- this new offering that we have.

25 Another improvement utilizing the PA

1 CareerLinks is the Ask a UC Rep Program, which
2 puts UC staff in higher traffic locations to
3 provide in-person support to claimants.
4 Currently, this service is available at 19
5 locations. And we will also continue to refine
6 and expand this program in coming weeks and
7 months and will have it in our arsenal for
8 responding for future periods of high
9 unemployment.

10 Another opportunity on the horizon is
11 that the Federal Department of Labor has released
12 a grant opportunity to states to promote
13 equitable access to UC programs. The Department
14 is in the process of submitting its application,
15 and if awarded, will use up to \$6.84 million
16 dollars to place UC program staff in CareerLink
17 offices across the Commonwealth to help claimants
18 apply for and access unemployment benefits.

19 The Department continues to bring on
20 additional staff because, as you are aware, we
21 have many issues that we still need to address
22 that resulted from the pandemic and the crushing
23 wave of UC claims. On October 18th, we are
24 bringing on board a new class of 90 interviewers,
25 many who were former contractors that have the

1 knowledge and experience needed to help
2 claimants. We are very excited to build our team
3 so that we can return to the new normal within
4 the Department. To provide some statistics, I'm
5 very happy to report that as of today the
6 Department currently has a workload of 91,826
7 pending determinations. As you recall, this
8 workload peaked over 320,000 determinations at
9 its high point. This is a huge improvement, and
10 it's attributed to staff completing on average
11 approximately 20,000 determinations a week and
12 streamlined business processes through the new
13 modernized UC system that went live last month.

14 As we discussed, while this caseload is
15 still higher than normal times, it is much more
16 manageable and we are actually beginning to see a
17 light at the end of the tunnel. I also want to
18 reiterate that this number will never be zero as
19 this is a workload for our staff and more items
20 continue to be added to the workload if
21 individuals fail to do things, such as search for
22 work or register with the CareerLink.

23 Another impact to this number was
24 Hurricane Ida. FEMA declared eight Pennsylvania
25 counties disaster recovery zones. As such, the

1 Department was actually mandated to implement a
2 temporary unemployment program known as Disaster
3 Unemployment Assistance. So that is something
4 that we're currently working through with the new
5 system.

6 Another area that I would like to briefly
7 touch upon that I know we discussed last month is
8 overpayments. As we discussed, overpayments
9 occur when a claimant receives benefits for which
10 he or she is later found to be ineligible for for
11 a myriad of reasons. This results in fault or
12 fraud overpayments or non-fault overpayments.
13 With fault overpayments, individuals are required
14 to re-pay the benefits along with interest if the
15 amount due is not paid within 15 days of notice.
16 For non-fault overpayments, the Department
17 withholds 33.3 percent of future benefits on a
18 weekly basis until it is re-paid, or if there is
19 no active UC claim, the overpayment is forgiven
20 after three years.

21 Overpayments have become common since
22 March of 2020 because of the proliferation of
23 Federal programs and the large quantity of claims
24 filed. This is something that's expected in the
25 system, that every state -- that every state

1 experiences, and that the Federal Department of
2 Labor knows how to handle. As we continue to
3 review claims from the past 18 months, more
4 non-fault overpayments will be issued. It's just
5 the nature of the beast.

6 Individuals issued any kind of
7 overpayment are entitled to due process, meaning
8 they can appeal whatever determination the
9 Department reaches for overpayments. Overpayment
10 detection and establishment will continue for
11 years. I want to set that expectation because we
12 will continue to find issues through crossmatch
13 and other sources that can affect benefits
14 retroactively. As such, there's really no such
15 thing as a backlog for overpayments. They're
16 just something that occurs that we have to
17 address.

18 So to provide context for this that might
19 actually like shine a little light on that, the
20 Department is still issuing non-fault
21 overpayments generated from the Great Recession
22 of 2008. So this is something that can pop up at
23 any time.

24 Lastly, to provide an update on fraud,
25 since implementation of the new system, we have

1 detected over 375,000 fraudulent initial claims.
2 This is over 65 percent of the claims filed since
3 we went live with the new system. The
4 Department's back-end fraud measures and the
5 dedication of our fraud prevention staff have
6 prevented over \$3.6 billion dollars from reaching
7 the hands of fraudsters.

8 Furthermore, through the implementation
9 of ID Me, the Department has curbed the vast
10 majority of fraud occurring within the system.
11 However, we did become aware in September of an
12 uptick of initial claims that were built without
13 ID Me verification. We immediately researched
14 the issue and quickly worked with our vendor to
15 implement a fix, which went into place in
16 September. And ID Me is now working as we have
17 intended it to.

18 To provide some more fraud statistics, we
19 are currently investigating over 100,000 fraud
20 complaints. Our small but mighty internal audits
21 division is looking into all of these complaints
22 and addressing them thoroughly. To date, our
23 internal audits division has discovered over
24 \$62.5 million dollars in fraudulent funds across
25 the PUA and the UC programs.

1 We continue to receive grants to combat
2 fraud as the Federal Department of Labor has
3 acknowledged this is something that is prevalent
4 in all states. We will also continue to work
5 with Treasury and law enforcement and remain
6 committed to ensuring that fraudsters are held
7 accountable and prosecuted for their despicable
8 actions that harm Pennsylvanians and Pennsylvania
9 businesses.

10 I look forward to continuing our
11 commitment to transparency, and we are now happy
12 to answer any questions that you may have.

13 Thank you.

14 MAJORITY CHAIRMAN COX: Thank you.

15 We're going to start with questions. We
16 have one virtually that has already contacted us,
17 so we'll start with Representative Nelson.

18 Representative Nelson, when you're ready.

19 REPRESENTATIVE NELSON: Thank you, Mr.
20 Chair.

21 And thank you, Madam Secretary, for
22 joining us today and the update on the fraud. I
23 appreciate the manual verification process that
24 you were sharing is now in place. At private
25 industry council -- so individuals that are

1 struggling with this, you know, will be able to
2 help resolve their claims.

3 My question is related to, just yesterday
4 we had another constituent -- she contacted me.
5 We spoke last evening her existing claim had been
6 -- you know, we use the term hijacked. In the
7 online portal, she received a notification that
8 her banking account changed, and it was then
9 suddenly at Wells Fargo Bank, which was not hers.
10 And she has seen now three and just had a fourth
11 payment head to that other account.

12 She explained the money isn't disbursed,
13 it's just heading over there. But she's afraid
14 to enter in the correct information because she
15 doesn't know what is, you know, what she can
16 trust and what she cannot trust. So specifically
17 for constituents that are fighting fraud, what
18 notification steps can they take?

19 A previous hearing said not just UC but
20 maybe another department would be notified. What
21 is the best thing that she could do to get her UC
22 dollars flowing again?

23 Thank you.

24 SECRETARY BERRIER: Susan, would you like
25 to --

1 DEPUTY SECRETARY DICKINSON: Thank you.
2 So what happens in those situations is,
3 of course, as you said, the bank account was
4 hijacked. It was changed by the fraudster. So
5 there's a couple different things that she could
6 do at this time. First of all, she should file a
7 fraud report on our website. And then, once that
8 fraud report is received by our internal audits
9 division, they will then be able to straighten
10 out the claim, you know, make sure that the right
11 payments are going to the right places.

12 what we are telling individuals, once
13 they file their fraud reports, because as the
14 Secretary mentioned, we have 100,000 fraud
15 reports. And a small percentage of those are
16 people who are still seeking benefits, but those
17 are the people that we really want to get to
18 first because we don't want to hold up their
19 benefits. So after filing the fraud report, it
20 would help if she did call the service center and
21 say, I did file my fraud report and, you know,
22 I'm seeking benefits, so I need attention. And
23 that way, we will know that that case needs to be
24 elevated.

25 One of the things that she can do, we

1 implemented the ID Me verification for bank
2 account changes very recently. That was only
3 just a couple weeks ago. So the bank account
4 change that she's seeing was likely done prior to
5 that. At this point, since she is the actual
6 claimant, she can initiate a request through her
7 dashboard to have her bank account updated.
8 She'll just have to go through the ID Me process,
9 and then it will, once she passes through the
10 process, that information flows over to Treasury,
11 and they can -- that will change the bank
12 account.

13 So at least the new bank account, her
14 real bank account, will be on the claim now.
15 Then it's just up to our investigators to then
16 help her get those missed, I think you said four
17 payments back. Pennsylvania Treasury is what
18 actually does that. They try to get the money
19 back from the incorrect bank, and then they make
20 the new payments for those weeks that then need
21 to go to her correct bank.

22 So as far as she's concerned, report the
23 fraud, call the service center. And then, you
24 know, if she wants to go ahead and initiate the
25 bank account change, she can do so and just has

1 to go through the ID Me process.

2 REPRESENTATIVE NELSON: Thank you.

3 So just confirming, her hesitation was --
4 so from your perspective, the fraudster received
5 her information in advance and then changed it
6 but would not have the ability to be monitoring
7 -- because she's afraid if she updates her
8 banking information, that the next step of the
9 fraud will be they'll go after her stuff.

10 So that portal would be secure and she
11 would be protected by supplying that information?

12 DEPUTY SECRETARY DICKINSON: Correct.
13 Our regular portal isn't -- isn't the part that's
14 breached. I mean, the breach came from other
15 information from other places and that's how the
16 fraudster got her information to be able to do
17 that. So that -- once our system then had that
18 barrier that prevents them from changing the bank
19 account, unless they can prove who they are,
20 that's what makes it secure for her to know that
21 once she changes it now, it's not going to be
22 able to be changed back.

23 So far, fraudsters have not been able to
24 beat ID Me. It's been very effective. So you
25 know, she can change it over to her regular bank

1 account. And then, you know, it's just up to our
2 staff to then straighten out those missed
3 payments that she had.

4 REPRESENTATIVE NELSON: Great. Thank
5 you.

6 Thank you, Mr. Chair.

7 MAJORITY CHAIRMAN COX: Thank you,
8 Representative Nelson.

9 Next, we have a question from
10 Representative Keefer.

11 REPRESENTATIVE KEEFER: Thank you.

12 Thank you, Mr. Chairman. And thank you,
13 Madam Secretary.

14 So questions. I have a couple questions
15 here. You identified -- you said approximately
16 100,000, over 100,000 cases have been identified
17 that are being investigated. Do you have a
18 dollar amount, like approximately, of how much
19 those claims that you're investigating are owed
20 or --

21 SECRETARY BERRIER: I think --

22 REPRESENTATIVE KEEFER: -- you know,
23 would owe?

24 SECRETARY BERRIER: Yeah. At this time,
25 we're trying to -- because they're a mix of --

1 they're just not traditional unemployment claims,
2 they're also PUA claims, as well. So I know
3 right now, we're trying to figure out what the
4 impact would be to the UC trust fund because I
5 think --

6 REPRESENTATIVE KEEFER: Yes.

7 SECRETARY BERRIER: -- that's a very
8 important figure to come up with. We're in the
9 process of trying to sort that out.

10 Unfortunately, with the breadth of claims
11 that we have, it's going to be a manual process.
12 So we're currently looking at coming up with that
13 figure, but I think that the vast majority of the
14 claims that we do have that are currently being
15 investigated are the PUA claims.

16 REPRESENTATIVE KEEFER: Okay. And that
17 was where I was headed with that, how much is
18 owed to the trust fund, you know, as a result of
19 all of the claimant fraud that we've had and the
20 anticipation of when we can get those back.

21 And you had answered this one in part as
22 far as how long, you know, it's an ongoing
23 process that you're continuously investigating as
24 you get through it. And given the breadth of
25 fraudulent claims that you guys have had to try

1 to navigate, is there any expectation just even
2 in the nutshell of what you have right now, how
3 long that would take to get through?

4 DEPUTY SECRETARY DICKINSON: We don't
5 have a time frame yet. However, we are finding,
6 once we go through it, that our investigators, as
7 they're going through these, are finding that
8 most of the 100,000, most of the ones that
9 they've seen so far, are ones where the payments
10 haven't been made.

11 REPRESENTATIVE KEEFER: Okay.

12 DEPUTY SECRETARY DICKINSON: So there was
13 a fraud report. There was a claim saying, you
14 know, this claim was set up and it shouldn't have
15 been, it was in someone else's name, but there
16 was no actual payment made. So what we're going
17 to try to do, in that situation especially, it
18 really doesn't take staff intervention, like
19 there's nothing our staff has to do on the claim,
20 like separate the payments or make sure they go
21 to the right place.

22 We're going to try to get some automation
23 help to try to weed those out. And that way, it
24 will save our staff for the pieces that they
25 really do need to touch. In addition, we are

1 also receiving a fraud prevention grant that we
2 can use to have contract help or hire additional
3 help to go through these claims. So we're
4 thinking if we can further triage it and have,
5 you know, because there's different buckets.
6 There's the ones that weren't paid, there's the
7 ones that were paid, but the person is seeking
8 benefits, the ones that were paid, but the person
9 is not seeking benefits. So there's different
10 buckets that we have.

11 If we can get a group to specifically
12 help tackle one of the buckets while the very
13 experienced unemployment fraud investigators
14 tackle the things they need to do, we're hoping
15 to then, you know, have this all taken care of a
16 lot more quickly. Because, you know, it would
17 take a long time to go through every single one
18 of those manually.

19 REPRESENTATIVE KEEFER: And Mr. Chairman,
20 if I may? Okay.

21 And the last question is, the ID Me has
22 been really very helpful that you've had. So as
23 technology advances, right, and these scammers
24 get a lot more clever and resourceful, that's an
25 ongoing -- is that an ongoing, you know,

1 evolutionary process with ID Me that they're
2 continuously updating that? And are there any
3 examples that you guys have caught that, hey,
4 there's something that you guys have been able to
5 apply to it, or is that just done kind of in the
6 background and just automatically implemented
7 within the program?

8 SECRETARY BERRIER: Go ahead, Sue.

9 DEPUTY SECRETARY DICKINSON: Well,
10 actually, one example very early on when we
11 started using them, about a year ago -- I think
12 it was actually last September.

13 REPRESENTATIVE KEEFER: Right.

14 DEPUTY SECRETARY DICKINSON: Originally,
15 they did have a different process. And it was
16 very similar to what you see with other places,
17 where you can answer personal questions about
18 yourself and go through it that way. And just a
19 few months into the PUA program -- and again,
20 they're used by a lot of different states, and
21 this fraud is happening nationally.

22 So once they saw, you know, what
23 fraudsters were doing and that they have those
24 types of questions and answers, they know the
25 answers that people would give, they -- ID Me

1 instantly changed their process. And that's not
2 an option that people can use anymore. There's
3 other things that they have to provide. They do
4 have to provide, you know, a photo ID, stuff like
5 that. So they are very on top of it. They
6 follow what it is that the fraudsters are doing.
7 They're always trying to be one step ahead of
8 them and figure out, you know, where they're
9 going with that.

10 So they are constantly evolving. Even --
11 not even on the fraud side, but even on the
12 customer service side because granted, you know,
13 they want to prevent fraud, but they're also
14 concerned with helping the states with customer
15 service. They want to provide a good experience
16 for people. They recognize that, you know, there
17 are a lot of people who do struggle with
18 technology. So one of the things that they want
19 to be able to do is be able to offer in person
20 locations, you know, as a service that states
21 would have to -- would have to buy into, but they
22 can then offer those locations.

23 Obviously, you know, as we talked about,
24 we have our own homegrown CareerLink partnership
25 that we're using to try to identify individuals,

1 but ID Me will offer that in the future because
2 they saw a need for it in different states where
3 different individuals were coming forward and
4 saying they were having issues. So they -- they
5 do monitor situations, whether it be the customer
6 service side or the fraud side constantly and
7 they make adjustments where needed.

8 REPRESENTATIVE KEEFER: Yeah. That's
9 good to know. Even being a little tech savvy,
10 just trying to log into a hundred different
11 accounts and trying to remember all the processes
12 is daunting.

13 Thank you.

14 Thank you, Mr. Chairman.

15 MAJORITY CHAIRMAN COX: Thank you,
16 Representative Keefer.

17 Next, we have a question from Chairman
18 Mullery.

19
20 MINORITY CHAIRMAN MULLERY: Thank you,
21 Chairman Cox.

22 And thank you, Secretary Berrier, and
23 Deputy Secretary Dickinson for your appearance
24 and testimony today.

25 Representative Keefer just really asked

1 my first question, which had to deal with the
2 fraud. You described your department as small
3 but mighty. And your results that you outlined
4 in your testimony recently are pretty impressive.

5 My question was more, you reference in
6 your testimony that you have over 600 InspiriTec
7 contractors. You're bringing in a class of 90 UC
8 employees next week. Have any of those
9 contractors or this new batch of employees coming
10 in worked in your fraud department or do you have
11 any intention of any of these folks in this class
12 of 90 working in the fraud department?

13 DEPUTY SECRETARY DICKINSON: Now, the
14 -- not from the fraud department specifically,
15 but from our customer service side. In the fraud
16 department, actually, to work there, you have to
17 have so many years of UC experience. So it's not
18 something that someone would, you know, be able
19 to come in from the outside and just have one of
20 those jobs. So the contractors that we use, at
21 least have some UC experience having to deal with
22 customers, talk to them, answer e-mails, look
23 through claims, that sort of thing, which already
24 gives them a leg up over, you know, someone else
25 just coming in off the street.

1 MINORITY CHAIRMAN MULLERY: And my
2 follow-up question was going to be, what plan do
3 you have to bolster that fraud department? And I
4 believe your answer to Representative Keefer was
5 the grant program potentially. So would those be
6 outside contractor help then? Or would there be
7 some type of promotion of internal employees to
8 assist, as well?

9 DEPUTY SECRETARY DICKINSON: Well, we're
10 going to look at both. Obviously, when it comes
11 to permanent hiring, you have to look at
12 sustainability, what do we have after this grant
13 is gone, you know, that sort of thing. It's
14 preferable to us to be able to hire, and then we
15 have that extra help, you know, to be able to
16 jump in when it's needed. Who knows what's going
17 to happen in the future, but we'll look at all of
18 our options. And we'll look at the best way to
19 get through that backlog of 100,000 back down to
20 a much more manageable -- I mean, prior to the
21 pandemic, fraud was very small. I mean, very --
22 identity theft cases alone, we had probably about
23 80 confirmed identity theft cases in a year. And
24 now, you know, there's tens of thousands or more
25 and it's --

1 MINORITY CHAIRMAN MULLERY: So what
2 you're telling me is --

3 DEPUTY SECRETARY DICKINSON: -- back
4 to --

5 MINORITY CHAIRMAN MULLERY: -- when we're
6 back to where we were pre-pandemic, you feel
7 you're properly staffed to deal with what is
8 expected in fraud at least?

9 DEPUTY SECRETARY DICKINSON: Yeah,
10 especially since we did just double our staff in
11 that department. So we'll have to see, you know,
12 we don't know if we ever will get back to normal.
13 This may -- now, of course, that fraudsters have
14 understood how the unemployment programs work in
15 the different states, we may never see them go
16 away at this point. So the whole landscape has
17 changed, and we're going to have to adjust based
18 on how that looks.

19 MINORITY CHAIRMAN MULLERY: I've noticed
20 a dramatic decrease in calls from my Democratic
21 colleagues to my office. And I'm sure Haley
22 would concur.

23 Could you just give us an update on where
24 you are with activity and turnaround time in the
25 leg web system?

1 SECRETARY BERRIER: Sure. So as far as
2 the leg web system is concerned, we are actually
3 turning around responses within 24 hours. So
4 we're able to answer. We're able to pretty much
5 keep up in real time.

6 MINORITY CHAIRMAN MULLERY: Awesome.
7 That's great. That's a great resource for our
8 office and ultimately our constituents. I want
9 to publicly thank you, your staff, the entire
10 Department for your continued work in that
11 regard. That's been a Godsend for us, and it's
12 provided our office with the ability to help our
13 constituents on a daily basis.

14 And lastly, more of a comment, I'm
15 excited about the launch of the SkillUp® PA
16 initiative and Ask a UC Rep program. I think all
17 of us on the Committee support those types of
18 proactive initiatives and programs to promote
19 workforce development, customer service, and the
20 like. So excellent job with those two, and I
21 wish you the best of luck.

22 And again, thank you for your testimony
23 today.

24 Thank you, Mr. Chairman.

25 MAJORITY CHAIRMAN COX: Thank you,

1 Chairman Mullery.

2 Next, we have questions from
3 Representative Barb Gleim.

4 REPRESENTATIVE GLEIM: Thank you for
5 being here and answering our questions. It
6 sounds through your testimony that we are making
7 headway on this issue, so thank you.

8 My question is about the grants, as well,
9 from the feds. So when you are -- are you
10 requesting these grants and, you know, doing an
11 application and all of those types of things for
12 the money, I'm assuming, is there an audit
13 attached to the grants?

14 And I don't -- like, are they just for
15 the fraud or are they also for regular PUA?

16 DEPUTY SECRETARY DICKINSON: So there are
17 audits attached to the grants. They're nothing
18 that we know for sure if there's going to be a
19 certain date or a certain audit. Whenever you
20 have one of these, it's called a supplemental
21 budget request, with the U.S. Department of
22 Labor, and they grant you -- we call them SBRs.
23 When they grant you an SBR, they do then retain
24 the right to come review it. And we to do have
25 to provide -- you know, there's strings attached

1 to it, certain quarterly reports, things like
2 that.

3 So it -- and that's detailed, you know,
4 for every grant. So they will, you know, at some
5 point probably -- they've visited us before in
6 the past. I don't know in the new, you know,
7 world if they're going to visit or just look at
8 certain documents. Throughout the pandemic, we
9 have had to send them a bunch of data and a bunch
10 of documents for them to do reviews on various
11 grants.

12 So when it comes to this newest fraud
13 grant, they had been up till now providing
14 separate grants for fraud prevention, for PUA,
15 and a separate one for PUC. Now, they have done
16 that twice. And now that the pandemic is over,
17 instead this is more like one fraud prevention
18 grant for whichever program we need to use it on,
19 generally, you know, regular unemployment since
20 that's the only remaining program at this point.
21 Plus, you know, cleaning up the PUA fraud
22 reports, as we mentioned. That's likely the most
23 of them because that was the program with the
24 most fraud in it. So we'll be using it for any
25 type of fraud prevention, as long as it's within

1 the confines of the grant.

2 REPRESENTATIVE GLEIM: Okay. Did they
3 give you any indication of how long the grants
4 would be open for?

5 So in other words, if you're still
6 getting -- like a new fraud thing comes through,
7 because we just had one in September that you're
8 not seeing -- did they say when that would be
9 closed or anything like that?

10 DEPUTY SECRETARY DICKINSON: Typically,
11 they do have closure dates. Off the top of my
12 head, I can't remember when the latest one
13 closes, but you have so long to spend the money.
14 So just as long as we're within that confine, we
15 can use it for whatever type of work. It doesn't
16 matter when the claim was filed or when the fraud
17 report was received. We can use it and for
18 whatever work we're doing in that time frame
19 until we spend it, we have had some grants where
20 we've also requested an extension.

21 And usually, just as long as we provide
22 justification, they're pretty easy about granting
23 extensions, so we can use up that money.

24 REPRESENTATIVE GLEIM: Okay. Thank you.
25 And then just one last question, and this

1 is a little bit random. But I did have a couple
2 CPAs reach out to me. And was -- they're
3 wondering if there's going to be any guidance
4 coming from your Department, or where they can
5 get the guidance, if they have a client who has
6 had fraud and there's ins and outs into their
7 bank account, is there any guidance that you all
8 can offer on your website or anything else for
9 CPAs doing taxes?

10 DEPUTY SECRETARY DICKINSON: So we
11 haven't received any yet for this year, but the
12 guidance from last year was for individuals to
13 disregard all of the fraudulent payments that
14 they may have received and just, you know, use
15 for their personal taxes what they normally would
16 use. The IRS -- we have to wait for the IRS to
17 issue that. So it was actually very late last
18 year that they issued that. So we're -- fingers
19 crossed, I'm sure for them it was a first-time
20 thing that they had a lot of discussion about.
21 Hopefully this year we don't have to wait quite
22 so late, but as of right now, that's our
23 understanding of how it will probably work this
24 year, as well.

25 MAJORITY CHAIRMAN COX: Thank you,

1 Representative Gleim.

2 Next, we're going to hear from

3 Representative Puskaric.

4 REPRESENTATIVE PUSKARIC: Thank you,
5 Mr. Chairman.

6 Thank you to Madam Secretary and Deputy
7 Secretary for being here today.

8 You had mentioned in your testimony that
9 there are roughly 80,000 claimants still
10 outstanding; is that correct?

11 SECRETARY BERRIER: I believe when the
12 Federal programs expired on September 4th, it was
13 80,000. I believe today we're looking at
14 72,000 --

15 REPRESENTATIVE PUSKARIC: Okay.

16 SECRETARY BERRIER: -- approximately.

17 REPRESENTATIVE PUSKARIC: Out of
18 curiosity, do you see any sort of trend in the
19 claimants that are remaining, as far as which
20 industries they're coming from?

21 SECRETARY BERRIER: You know, Susan, I'm
22 going to defer to you because I know there's also
23 seasonal cycles where unemployment hits. I don't
24 know if we're in one of those cycles or not.

25 DEPUTY SECRETARY DICKINSON: Right. And

1 we would be able to probably go back and look at
2 those statistics because our statistics area, you
3 know, they have that information and they have
4 certain Federal reports that they do have to
5 file. So if we knew which specific time frame to
6 look at, because you're right, seasonal is a big
7 thing in our business, as long as we know which
8 time frame you're looking at, we can then have
9 them look at that data.

10 SECRETARY BERRIER: And we do provide
11 work stats on our -- on our website. We do have
12 UC statistics prepared by our Center for
13 Workforce Information Analysis that we make
14 available, and they do get pretty granular in the
15 details of the breakdown, however, there is a lag
16 in time. It's not in real time. It's, you know,
17 I believe a quarter or two behind.

18 REPRESENTATIVE PUSKARIC: Thank you very
19 much.

20 SECRETARY BERRIER: Yes.

21 MAJORITY CHAIRMAN COX: Thank you.

22 Now, we have a question from
23 Representative Rich Irvin.

24 REPRESENTATIVE IRVIN: Thank you,
25 Mr. Chairman.

1 Thank you, Secretary, Deputy Secretary,
2 for being here and your continued transparency.

3 I guess probably one of the first
4 questions I want to hit on is I know the business
5 community has much concern about any of their UC
6 tax moving into the future relating to the trust.
7 You had already mentioned with Representative
8 Keefer's question that you don't have a real
9 grasp on the amount of fraudulent claims on that
10 dollar amount that's there. But you know, we do
11 have the numbers that we've been paying out for
12 unemployment.

13 Do we have any kind of idea what that
14 could do to the businesses, an increase on the
15 unemployment compensation tax moving forward?

16 SECRETARY BERRIER: So -- and I think
17 this speaks to -- I think what you're hitting on
18 is the FUTA tax increase that results -- when we
19 -- when our trust fund is insolvent and we owe
20 money. You know, currently, I believe our trust
21 -- we currently have a loan balance, I believe,
22 of \$830 million dollars that we owe to the
23 Federal government that's no longer zero percent,
24 interest free.

25 I believe that if that isn't paid by a

1 certain point, then there is a tax trigger that
2 will occur in November of 2022, and then that
3 will increase again if that, you know, by another
4 3 percent if that's not paid by another certain
5 date. You know, we -- we want to make sure, you
6 know, that trigger in the law is to ensure
7 solvency. That's, you know, the Federal trigger
8 to kind of get us through these economic
9 downturns. That's something that exists.

10 You know, we have provided information as
11 far as what that would look like in the long run.
12 And we've also provided information, I think, as
13 if there was a bond to be secured also. So that
14 information has been provided and, you know,
15 that's something at this time that, you know, the
16 Federal taxes will kick in if nothing is done at
17 this point.

18 REPRESENTATIVE IRVIN: Thank you. And
19 I'll shift gears a little bit.

20 I know last meeting we had last month, I
21 sort of threw our CareerLinks under the bus
22 whenever I said that they've been sending all of
23 their traffic our way whenever it comes to UC
24 claims. And you know, I think what they were
25 trying to do is they were getting ready -- they

1 were getting ready for the September 4th, you
2 know, PUA cutoff and they -- they were looking
3 for that big influx of individuals that were
4 going to be coming and actually looking for jobs.

5 And I just attended last week a job fair
6 that the CareerLink had in my district. And I
7 know they've been having them in central
8 Pennsylvania a lot, the area I'm familiar with.
9 And you know, we're not getting the turnout of
10 applicants that we really were expecting at these
11 job fairs. And to back up, I do appreciate what
12 you had done, implementing some of the changes
13 into the CareerLinks. I think that helps out a
14 lot.

15 But from the Department standpoint and
16 the administration standpoint, and even, you
17 know, suggestions at the legislative side, you
18 know, what can we do to try to get these
19 individuals back? I mean, there's help wanted
20 signs everywhere, but people are not coming
21 forward to even apply for these jobs. You know,
22 what can we do as a state to help that process
23 along?

24 SECRETARY BERRIER: No. And this is an
25 ongoing conversation that we've been having

1 amongst all agencies because we're seeing how far
2 and wide this issue is. And it's just not in
3 Pennsylvania, it's nationally. And what we're
4 learning is this is a very nuanced issue, this
5 labor shortage, quote, unquote. And what we're
6 finding is that, you know, what we're uncovering
7 through different studies is that people are
8 evaluating their work, the work that they do.

9 And especially during the pandemic, I
10 think it's caused a lot of people to reflect
11 inward. I have -- just anecdotally, I have a lot
12 of friends who work in the restaurant industry.
13 And with everything that happened during the
14 pandemic, they actually went and got warehouse
15 jobs. And they have no intention to return back
16 to the restaurant industry. So I think it really
17 forced people to, you know, reevaluate their work
18 life and what they want to get out of work.

19 So we're finding a lot of the lower wage
20 job, jobs that didn't necessarily have strong
21 worker protections, are the industries that are
22 struggling, such as hospitality and leisure. You
23 know, what I would recommend is perhaps having
24 stronger worker protections for individuals so
25 that they have paid leave, so that they feel safe

1 in the workplace, so that they can grow in a
2 career within a certain industry, and I think
3 that's what people ultimately are looking for.

4 But you know, obviously, we're still
5 living through this, and we're still analyzing
6 the data as the result of, you know, what has
7 happened as a result of the pandemic. Now
8 they're calling it the great -- everyone is
9 leaving their job. It's the great resignation is
10 what it's being termed now amongst scholars.

11 So it's going to be very interesting. I
12 think people want better paying jobs that provide
13 protections. And I think, ultimately, that's
14 what this body would need to do to help those
15 industries.

16 MAJORITY CHAIRMAN COX: Thank you.

17 Next we have a question from
18 Representative Leanne Krueger, joining us
19 virtually.

20 REPRESENTATIVE KRUEGER: Thank you so
21 much, Mr. Chairman.

22 Secretary, thanks again for being in
23 front of us today to answer our questions.

24 So we continue to get significant numbers
25 of calls here in the office, and I want to follow

1 up on a line of questioning from Representative
2 Nelson. Like him, I'm getting calls from people
3 who are completing the online intake. These are
4 people where there's been some kind of fraud and
5 they're also seeking benefits. And when they go
6 ahead and fill out that online intake form to
7 report it, they're not getting any kind of
8 confirmation that it was received. There's not
9 even an e-mail confirmation or a screen that pops
10 up. So they're not sure if they've completed the
11 process or not, and they have no idea what the
12 timeline is to get a response and for payments to
13 resume.

14 So I know you told Representative Nelson
15 that we should be reporting these cases, but can
16 you give us any sense, you know, is it possible
17 for them to get a confirmation so they know their
18 submission was successful? And about how much
19 time should it take if these are people who do
20 need benefits?

21 SECRETARY BERRIER: No, thank you,
22 Representative. And that is something that's
23 certainly been a pain point for the Department.
24 We've been working with our vendor to be able to
25 have that feature of issuing a response

1 confirmation e-mail when someone is filing a
2 fraud report. Unfortunately, this feature has
3 been problematic. And you know, we've been going
4 forth and we're hoping to have it in place this
5 month. You know, it's something we've asked for,
6 I think back in September, but it's just proven
7 to be problematic.

8 So you know, we understand it's a pain
9 point and we are really trying to get it in place
10 as quickly as possible. We've flagged it as a
11 priority with GSI. So this month is when we're
12 able to have it in place. As far as a timeline,
13 as Susan said, we are in the process of triaging
14 a lot of those fraud reports. So if it's
15 individuals who are currently receiving UC
16 payments, those are the individuals that we're
17 trying to address immediately, recognizing that
18 they need to receive payment right away.

19 You know, you've heard that our backlog
20 or our cases are approximately 100,000 cases that
21 we're in the process of investigating. And you
22 know, at this time, we can't really give a time
23 frame because we're looking into other options as
24 to how we can automate some features and bring on
25 some contract sources to help us attack that

1 issue?

2

3 Susan, do you have anything additional?

4 DEPUTY SECRETARY DICKINSON: The only
5 thing I'll add is that on an individual claim
6 basis, when someone -- when we do have to look at
7 the hijack claim and straighten that out and make
8 sure that, you know, the bank account is changed
9 and the payments go to the right place, that
10 process could take several weeks. One of the
11 things that we have to do is create what we call
12 a pseudo claim. It's a fake claim, to put the
13 fraudsters payments on a separate claim, so we
14 don't lose them, but then the person has to
15 continue on their regular claim receiving their
16 payments and getting that information on their
17 dashboard.

18 So that part of the process does take a
19 little bit. We need our vendor to intervene
20 there, and we need to be able to build that
21 pseudo claim. So these processes can take
22 several weeks once we do start actually working
23 on a claim. So if that's kind of what you were
24 looking for on an individual basis, once we do
25 get it, it will be a little while before we

1 straighten it out, you know, and that's one of
2 the many processes we're hoping if we can triage
3 these better and have different groups working on
4 different things, then the individuals who, you
5 know, can do this part of it can at least focus
6 on more of them and then they're able to get
7 through all of that group a lot better.

8 One of the good pieces of news is once we
9 put in the ID Me protection for changing bank
10 accounts, obviously, we're still receiving
11 reports from people who have seen their payments
12 go to a fraudster, but it is decreasing. So now
13 that we've cut that off, you know, our backlog
14 isn't going to grow tremendously at this point.
15 We're finally going to be able to chip away at
16 it.

17 REPRESENTATIVE KRUEGER: So I appreciate
18 that answer, and I'm just going to ask again for
19 you to truly prioritize these claims for folks
20 who, through no fault of their own, had a
21 fraudulent claim and they desperately need these
22 payments, you know, waiting more than a few weeks
23 when these are payments and benefits they paid
24 into and they need this money to pay their
25 utility bills and their mortgage. It's putting

1 people in a very challenging situation, so
2 anything you can do to speed up the process for
3 those who still need benefits, I think it's truly
4 urgent right now.

5 MAJORITY CHAIRMAN COX: Thank you,
6 Representative Krueger and Madam Secretary.

7 Next, we have a question from
8 Representative Jim Gregory, joining us virtually.

9 REPRESENTATIVE GREGORY: Thank you,
10 Mr. Chairman.

11 Can everybody hear me?

12 MAJORITY CHAIRMAN COX: We can hear you.

13 REPRESENTATIVE GREGORY: Good. Very
14 good.

15 Thank you.

16 Madam Secretary, thank you very much for
17 being here.

18 We have a question outstanding from a
19 constituent that I got in yesterday, and I'm not
20 sure how to respond. So this is very timely.

21 Can you tell me whether or not it's been
22 determined how you'll be handling employees who
23 have been furloughed or terminated for refusing
24 to take or receive the COVID vaccine? Would that
25 be a -- would that be viewed as a valid claim or

1 not?

2 Have you had those conversations on
3 determinations yet?

4 Now, I'll listen to your answer. Thank
5 you.

6 DEPUTY SECRETARY DICKINSON: Sure. So
7 when it comes to -- there's some sort of
8 feedback.

9 So when it comes to an individual being
10 either terminated or quitting because they --
11 their employer, you know, mandated the vaccine
12 and they decided not to get it, that actually is
13 treated just like any other voluntary quit or
14 discharge, so it's very much on a case-by-case
15 basis. We have to look at, you know, first of
16 all, one of the hardest parts of being an
17 examiner is in some situations figuring out if it
18 truly was a quit or a discharge, who initiated
19 it, and how did they do it?

20 Was it more in a passive way, an active
21 way?

22 We're looking to see like who really
23 initiated it and how. And once we've determined
24 whether it is a voluntary quit or a discharge,
25 then you have to look at who has the burden to

1 prove that this was a necessary action. So if we
2 determine that the person quit, then the burden
3 of proof is on that person to show that they had
4 a good reason to quit.

5 If the case is a discharge, then the
6 burden of proof is on the employer to show that
7 the discharge was necessary. And you know, along
8 those lines of questioning, then you have to look
9 and see, okay, you know, what was the mandate,
10 how was it portrayed to the staff, you know, how
11 does it play into the business that they do.
12 This is why adjudication cases take so long
13 because you need to get all of these answers, and
14 there's a lot of questions that have to be asked.
15 And of course, it's on a very individual basis.

16 So you know, it's all going to depend on
17 the circumstances of the business, of how the
18 employer handled it, what the claimant did, what
19 actions they took, and then the examiner has to
20 make a decision, a final decision, based on all
21 that information that they gather.

22 REPRESENTATIVE GREGORY: And just as a
23 follow-up, have you had any of these instances
24 that you can speak of anecdotally already?

25 DEPUTY SECRETARY DICKINSON: Anecdotally,

1 I don't know of any. I'm sure that there must be
2 though. We have Federal reports where we have
3 to, you know, report how many of these types of
4 determinations we issue each month. But of
5 course, there's none that -- no categories that
6 are specific for this. It would be either a
7 voluntary quit or a discharge, so we wouldn't
8 know what subset of those are related to the
9 COVID vaccine.

10 REPRESENTATIVE GREGORY: Thank you.

11 And Mr. Chairman, I would just submit
12 that perhaps those reports could be helpful for
13 future debate. Thank you.

14 MAJORITY CHAIRMAN COX: Thank you,
15 Representative Gregory.

16 Next, we have another question from
17 Representative Gleim.

18 REPRESENTATIVE GLEIM: Thank you again
19 for a second time.

20 I was just interested in your comment
21 about the great resignation and people going to
22 better paying jobs because I'm not hearing that
23 in my district. And if that were true, there
24 would be a net gain or a net loss. You know,
25 there would be some movement there and not a

1 total loss in the job market. But what I am
2 hearing is that there isn't adequate daycare, and
3 that most of the jobs that aren't being filled
4 were previously filled by women.

5 So I'm asking -- I want to know, are you
6 seeing the fact that inadequate daycare provider,
7 you know, centers throughout the State is
8 impacting, especially women going back into the
9 workforce?

10 SECRETARY BERRIER: No. Thank you,
11 Representative.

12 And I appreciate you bringing that up
13 because I think what I was trying to get across
14 is that it is a very nuanced problem, and there's
15 a lot of factors that go into what we are seeing
16 right now. And one of them being the great
17 resignation. That was off the top of my head
18 because I just read that headline this morning,
19 but you did hit a very important -- a very
20 important point.

21 You know, we have found that during this
22 pandemic, that women were the primary caretakers.
23 They stayed home with the children. They took
24 care of sick loved ones. So you did find that
25 women exited, I think nationally, women exited

1 the workforce in droves, which is very
2 disappointing. And returning to the workforce
3 became even more complicated, because you're
4 right, we have child care deserts nationally, and
5 Pennsylvania is no exception to that.

6 So yes, child care is certainly one of
7 the reasons cited for the labor shortage that we
8 have.

9 REPRESENTATIVE GLEIM: Right. I would
10 disagree, you know, with that great resignation
11 statement. I don't know where it came from, but
12 I think that there are barriers to re-entering
13 the workforce that we need to really work on and
14 that's one of them.

15 Do you see any other barriers to
16 re-entering the workforce other than that?

17 SECRETARY BERRIER: I mean, there's
18 always been -- there were barriers before the
19 pandemic and there's -- those same barriers still
20 exist post-pandemic. You know, one that I've --
21 that I can think of off the top of my head is
22 transportation, especially in more rural areas
23 where you have manufacturing plants or you know
24 warehouses in very rural areas where, you know,
25 individuals have issues finding transportation

1 from urban areas to those more rural areas. So
2 transportation is definitely another barrier.

3 skills. Skills are a barrier that we've
4 identified as well, which is primarily why we
5 instituted or released that SkillUp® PA
6 initiative that we did this past month. So I
7 mean, there's definitely a slew of barriers that
8 have been identified that continue to be
9 identified, which makes the Governor's Command
10 Center even more important now than ever.

11 REPRESENTATIVE GLEIM: Yes. Thank you.

12 And I will be looking into that SkillUp®
13 PA initiative and seeing how it's working in my
14 area.

15 So thank you, Mr. Chairman.

16 MAJORITY CHAIRMAN COX: Thank you,
17 Representative Gleim.

18 As of now, we've walked through the --
19 all of the individuals who've wanted to ask
20 questions. I have a few myself.

21 Are we still using the ticket system,
22 where individuals get a ticket and then they are
23 able to call back with a particular -- do we have
24 an idea of when that will be phased out and when
25 people will be able to call in and get answers

1 realtime rather than that call-back feature?

2 SECRETARY BERRIER: Absolutely. So we
3 are continuing to evaluate our ticketing system.
4 We -- so while our call volume has decreased, we
5 still have a backlog of tickets that need to be
6 answered. And it's still proving to be more
7 fruitful for our folks to be working on the
8 background on those specific cases without being
9 on the phone.

10 So we expect to probably have the
11 ticketing system in place at least for another
12 month or two. Eventually, it has to be phased
13 out though because we no longer have funding for
14 it, but we look forward to returning to normal,
15 to our dedicated staff being back on the phones,
16 and you know, for things, again, to return to the
17 new normal.

18 MAJORITY CHAIRMAN COX: Okay. In prior
19 hearings and other conversations that we've had,
20 we've talked a little bit about the refusal of
21 work reports, individuals not showing up for
22 interviews, individuals not showing up on their
23 first day of work once hired, various number of
24 things, all of which qualify under refusal of
25 work category if you will. We've actually got a

1 bill we've passed to clarify that. And so we're
2 hoping to iron out some details there,
3 Representative Labs, I believe, her bill.

4 So my question is, can you -- do you have
5 a feel for how many refusal of work reports have
6 been filed in the last month or two months or a
7 particular window of time?

8 SECRETARY BERRIER: Susan, I'm going to
9 actually defer to you on this one.

10 DEPUTY SECRETARY DICKINSON: Yeah, we can
11 get that information. We have two sets of
12 information. Actually, I was just talking about
13 the Federal non-monetary reports that we file,
14 and that's all available online on the U.S.
15 Department of Labor's website. So that's one
16 number of the ones that we've actually handled.

17 Then there's the ones coming in where we
18 have the resource account. We have that form on
19 our website. Those aren't necessarily all cases
20 to be adjudicated, however, because of course
21 we're encouraging employers to report any type of
22 refusal of work. So a lot of times it's someone
23 that they don't know. You know, it might be
24 someone that they offered a job to or interviewed
25 or whatever, and the person might not even have a

1 claim. So you know, they don't even know if
2 there is a claim for that person. They're just
3 reporting to us.

4 So there is some triage that has to
5 happen before it goes to an examiner, just
6 because they may not have a claim or, you know,
7 it may not be a situation that is a refusal of
8 work. So we have those two different buckets,
9 but we can get an estimate.

10 MAJORITY CHAIRMAN COX: Okay. If -- and
11 even if employers are contacting the Department
12 and saying an individual refused me, I would be
13 curious to know -- I think it would help with the
14 overall employment -- unemployment question, you
15 know, can we drill that into why these
16 individuals might be turning down work? Did they
17 find out that they did something, you know, the
18 employer does something they don't like or
19 require something they don't like or -- you know,
20 there are a lot of factors that determine why an
21 employee might not show up. It might just be
22 that they didn't feel like it.

23 So if you can take those, what I will
24 call raw information and say, okay, we've gotten
25 100 reports in the last week. Of those, 75 were

1 attached to a claim, you know, things like that,
2 I think would be helpful information to help
3 determine if there's something that needs to be
4 done to further encourage people to return to the
5 workforce. Maybe again, find out why it is that
6 they're not returning on that. So I'd be curious
7 to know kind of the progress there, and then
8 ultimately, how many investigations turn up with
9 a claim being denied because they did refuse
10 work. I'd like to know if the form is working
11 and if there's something we need to do to make
12 sure that, you know, make sure that the process
13 is thorough.

14 Additionally, I'm interested in the
15 SkillUp® program, as well. I'm always glad to
16 hear when, you know, a department is thinking
17 outside the box and saying what gap can we fill,
18 what can we do better? So you've done great at
19 that, Secretary Berrier.

20 Can you just -- I show up in the system
21 and I say SkillUp® PA, what can you do for me?
22 What does that experience look like for an
23 individual who's knocking on that proverbial
24 door?

25 SECRETARY BERRIER: Right. No. And that

1 would be something that we'd be happy to show to
2 you in your office if you have an interest in us
3 walking through that with you. We'd be -- we'd
4 be more than pleased to do that with you.

5 I mean, it's supposed to provide an
6 online database of resources that -- it's, you
7 know, Metrix Learning is the vendor that we use
8 for the program itself. Very easy to use. It's
9 adaptable to all levels. You know, we'd be more
10 than happy to walk your office through SkillUp®
11 PA if you're interested.

12 MAJORITY CHAIRMAN COX: Okay. The types
13 of resources on there, are they --

14 SECRETARY BERRIER: There's actual
15 modules where you can actually get training,
16 specific training depending on the career path
17 you're looking at, hard skills, soft skills. You
18 know, it's a variety of different resources
19 available on the -- on the website.

20 MAJORITY CHAIRMAN COX: Okay. Fantastic.

21 Like Representative Gleim, I'm going to
22 take some time to reach out to my constituents,
23 let them know it's there and walk through and
24 check it out myself, see if there's any skills
25 that I need to improve on.

1 No comments, Chairman Mullery.

2 Okay.

3 MINORITY CHAIRMAN MULLERY: How many
4 programs do you have?

5 SECRETARY BERRIER: I think --

6 MAJORITY CHAIRMAN COX: There's really no
7 need to answer that.

8 SECRETARY BERRIER: I'm not going to
9 answer that.

10 MAJORITY CHAIRMAN COX: All right. We
11 also have a question from Representative Eric
12 Davanzo, joining us online.

13 REPRESENTATIVE DAVANZO: Thank you,
14 Mr. Chairman.

15 I want to talk to you on Representative
16 Gregory's question, on the people that are, you
17 know, refusing the vaccine because I, too, am
18 getting a lot of calls on that. So we -- we can
19 tell people that they can indeed be denied
20 unemployment for that even though, you know, this
21 vaccine isn't law?

22 I just -- if I heard you right. I was in
23 and out here, but it depends on how it was asked
24 and how it was mandated by the employer; is that
25 accurate?

1 DEPUTY SECRETARY DICKINSON: Right. It's
2 really not about the vaccine specifically, but
3 about the quit or the discharge. So all of the
4 questions and all of the evidence that they're
5 looking for and the facts to support what
6 happened are all about the quit or the discharge
7 that occurred.

8 REPRESENTATIVE DAVANZO: Okay. But if
9 somebody says, listen, you've got to get
10 vaccinated by Friday and they simply say no, how
11 does that work out?

12 How would you answer that question?
13 Because I'm getting it here, and I don't have an
14 answer. I'm kind of -- I'm just kind of getting
15 frustrated at telling people, you know, I don't
16 know. So how would you answer that question?

17 SECRETARY BERRIER: So Representative, I
18 think what we're trying to get is that these
19 situations are very fact-specific and there is
20 not a yes-or-no answer to that question. It's
21 going to depend on the individual facts of that
22 case. I'm sorry that it's frustrating, but the
23 unemployment compensation law allows for a
24 certain due process in order for, you know, the
25 process of denying or making an individual

1 eligible for unemployment fair.

2 REPRESENTATIVE DAVANZO: Okay. I have a
3 few more questions.

4 How long does the Department believe it
5 will take to identify and process fraud
6 overpayments that were paid out from the
7 beginning of the pandemic? Are there any like
8 additional staff working on this?

9 DEPUTY SECRETARY DICKINSON: So the
10 overpayments -- and actually, we had in the
11 testimony -- it explained kind of the nature of
12 overpayments. There's not really a -- it's more
13 of the non-monetary backlog, actually, that
14 you're looking at. So there's no such thing as
15 just having an overpayment. You have to have the
16 non-monetary deniable, and then there's the
17 overpayment that comes from that denial. So
18 everything that we have, all of the fraud
19 reports, those are going to turn into a
20 non-monetary backlog item for an examiner to then
21 deny, and then it becomes an overpayment.

22 When it comes to overpayments, one of the
23 things that the Secretary also mentioned, was
24 that we're still looking at overpayments from 10
25 years ago. And that's because overpayments can

1 crop up at any time. It's not, you know, as if
2 we have a bucket of them right now and we've got
3 to get through them all. We have certain things
4 that we know we have to address right now, but
5 we're going to have cross matches and things that
6 come up in later years that are then going to
7 raise issues with people's eligibility for the
8 claim that happened a few years ago.

9 So there's no -- even though there's a
10 statute of limitations on how long we can collect
11 an overpayment before we have to write it off,
12 there's no statute of limitations on us finding
13 an issue. So if we -- if someone raises an issue
14 with us, whether it be through a cross-match or a
15 fraud tip or something, and the person's claim
16 was 10 years ago, we still have to look into it
17 and we have to deny them if it turns out that
18 they shouldn't have gotten benefits.

19 So whenever we find any type of issue --
20 and this is what we saw with the Great Recession,
21 you know, we're still finding, you know -- we may
22 look at a claim for some other reason but then
23 realize they were paid in all the wrong sequence
24 because back in 2008, UC was flip-flopped around
25 a lot and people had to be paid in a certain

1 sequence. We were fixing those for years and
2 years because whenever we do find an issue, we
3 have to address it and there is no time frame
4 where we can disregard it.

5 REPRESENTATIVE DAVANZO: Okay. Cool.

6 You actually answered my second question,
7 so thank you.

8 MAJORITY CHAIRMAN COX: Thank you,
9 Representative Davanzo.

10 We have another question from Chairman
11 Mullery.

12 MINORITY CHAIRMAN MULLERY: Just a brief
13 follow-up to Chairman Cox's question to you,
14 Deputy Secretary. With regard to refusal of
15 suitable work data, I think that's highly
16 important to us as a Committee, especially given
17 the fact that we have a bill that we pushed out,
18 which was Representative Labs' bill.

19 Is that data -- did I hear you correctly?
20 Is that currently available on the U.S. DOL
21 website? And if it is, what does it actually
22 include?

23 Like is it simply the number of instances
24 where an employer reported that a potential
25 employee refused work? Does it include the

1 number of investigations done by the PA DOL?

2 Does it include the result of that
3 investigation?

4 Because I mean, it could be something as
5 simple as an employee who's dissatisfied with his
6 current job applying for a new job and then
7 something comes up and he doesn't show up, but
8 he's still employed. He doesn't have an
9 unemployment compensation claim, right?

10 Does that U.S. DOL data include all of
11 that?

12 DEPUTY SECRETARY DICKINSON: No. The
13 data is just based on the determination made at
14 the end.

15 MINORITY CHAIRMAN MULLERY: Oh.

16 DEPUTY SECRETARY DICKINSON: So the
17 Federal report is going to show this is how many
18 determinations you did this month of this
19 particular section of law. This is how many were
20 approved. This is how many were denied. So the
21 Federal report only has that. So to --

22 MINORITY CHAIRMAN MULLERY: Okay. So
23 does your internal Department have the other
24 information that we would find useful?

25 DEPUTY SECRETARY DICKINSON: Each

1 examiner, as they ask the questions, they're
2 going to ask those reasons why did you refuse
3 work.

4 MINORITY CHAIRMAN MULLERY: Right.

5 DEPUTY SECRETARY DICKINSON: So it will
6 be anecdotal.

7 MINORITY CHAIRMAN MULLERY: Right.

8 DEPUTY SECRETARY DICKINSON: But there
9 will be the cases that they look at and then have
10 to, you know, uncover the facts and figure out
11 what happened. They talk to the claimant. They
12 talk to the employer. They get both sides of the
13 story, unless, you know, one of the parties
14 doesn't get back to us, in which case, they have
15 to move forward with all available information.
16 So you know, that would be at the individual
17 examiner level. And there's no aggregate report
18 of that.

19 MINORITY CHAIRMAN MULLERY: And I just
20 want to join with Chairman Cox on, I think that's
21 important information for us to have. I'm not
22 sure how far back you would want that information
23 for, but I would say at least six months so we
24 can get a good snapshot of what is happening in
25 the Commonwealth with people refusing suitable

1 work. So however you can get that to us, I think
2 that would be helpful for us.

3 Thank you very much.

4 MAJORITY CHAIRMAN COX: I'm not seeing
5 any other questions online or in person, except
6 one just came in.

7 SECRETARY BERRIER: Almost.

8 MAJORITY CHAIRMAN COX: We have a
9 question from Representative Innamorato, joining
10 us virtually.

11 REPRESENTATIVE INNAMORATO: Thank you,
12 Chairman.

13 And thank you, Secretary, Deputy
14 Secretary, for being with us, and on all the
15 ground that you have covered with issuing
16 determinations.

17 And as you've issued determinations,
18 people are no longer contacting our office about
19 them, but now they're contacting our office about
20 the appeals process and what that looks like and
21 how long they'll have to wait in order to have
22 their determination reconsidered. So I was
23 wondering if you could speak to that, on you
24 know, how many pending appeals there are, kind of
25 how you're directing resources towards that

1 process, and what expectations we can set with
2 people who are contacting our offices about this
3 next phase of the unemployment journey that
4 they're on.

5 SECRETARY BERRIER: Thank you,
6 Representative -- Thank you, Representative.

7 And something told me to bring some
8 appeal information today, so here we are. You
9 know, we recognized, you know, with our
10 determination levels, that, you know, obviously
11 it was -- these cases were going to work their
12 way through the process and that we were going to
13 get to a certain point with our appeals before
14 out UC referees and the UC Board of Review, as
15 well.

16 You know, anticipating that surge, we
17 actually went from pre-pandemic, we had 46
18 permanent referees and 10 annuitant referees.
19 Currently, we have 59 permanent referees, 7
20 individuals working out of class as referees, and
21 10 annuitant referees. So you know, that is
22 actual a pretty large number in the referee
23 world. I know it doesn't sound like a great
24 deal, but we did anticipate that. But is it
25 enough? That is the question.

1 And just to give you some numbers on
2 appeals, just to kind of give you a snapshot of
3 what we're experiencing right now. Looking at
4 September's numbers, we received 5,940 appeals
5 for the month of September. And we issued 5,751
6 decisions. So currently, we are not -- you know,
7 we did not issue enough decisions to match what
8 we had coming in. As far as our pending cases we
9 have, it's approximately 20,500 cases that we
10 have that are pending.

11 You know, we're not really hitting our
12 goals of issuing decisions within 30 days or 45
13 days at this point because of the breadth of the
14 numbers that we have. You know, it looks to me
15 that if we're looking at what we're doing
16 compared to what we're bringing in and with the
17 cases that we have pending, I would say that it,
18 you know, appeals are being issued within two
19 months, two to three months or so. I would
20 encourage telling claimants to file for appeals
21 on their dashboard as opposed to mailing things
22 into the office.

23 We want this process to go as quickly as
24 possible. And one of the benefits of our
25 modernized system is you can do everything

1 online. So you know, I really, if you do have
2 constituents that call in about appeals, you
3 know, encourage them to do everything through
4 their dashboard because it would be a more timely
5 process. But we do look forward to chipping away
6 at our pending cases and getting through this
7 initial surge of cases.

8 REPRESENTATIVE INNAMORATO: Thank you for
9 that answer. And let us know how we can support
10 you with resources on that phase.

11 SECRETARY BERRIER: Thank you.

12 DEPUTY SECRETARY DICKINSON: Thank you.

13 MAJORITY CHAIRMAN COX: Thank you,
14 Representative Innamorato.

15 I believe now we've exhausted the
16 questions virtually and in the room. I did have
17 a couple of questions I wanted to -- I'm not sure
18 if it's one or two questions. We'll see how it
19 plays out.

20 So I'm interested in the PUA program
21 that's there and how it's been phased out. And I
22 think through some of the individuals who
23 contacted my office, and so the PUA program was
24 designed for claimants who weren't typically
25 eligible for the unemployment compensation

1 system. They had to certify that they were
2 unemployed due to a specific reason, and the
3 application laid out specific reasons. They had
4 to choose which one.

5 As time went on, those reasons remained
6 on the form, on the application, but the reasons
7 themselves became moot. For some of them, it was
8 a particular issue, not having child care. When
9 their child went back to school, the child care
10 issue evaporated. It's the belief of a number of
11 us, or the suspicion might be the better word for
12 it, but there are some that have -- that remained
13 under that umbrella, if you will -- and I'll use
14 the phrase milked the system as long as
15 possible -- even though the specific reason for
16 seeking PUA evaporated.

17 Does the Department agree with that
18 suspicion or have the same suspicion that there
19 were some that worked the system even longer than
20 the reason would have been valid? So I'll start
21 with that question.

22 SECRETARY BERRIER: So you know, it's
23 interesting. We've been so busy that we haven't
24 really tried to speculate, you know. Frankly,
25 with the crushing numbers of claims that we've

1 received, it's kind of -- we've been in fight or
2 flight mode, essentially. So you know, as far as
3 anticipating whether there were some people on
4 the system who shouldn't have been, possibly. I
5 think that that possibility existed, you know,
6 for traditional UC, as well. I mean, I wouldn't
7 rule that out.

8 However, I would have no idea what the
9 numbers would be on that or what that would even
10 look like, and especially now since the program
11 has ended.

12 MAJORITY CHAIRMAN COX: Okay. I -- I'm
13 one of those individuals who, when I look at my
14 budget, I don't just say, okay, we made our
15 budget and we survived this particular month. I
16 look back and say, you know, what caused those
17 issues, what caused different issues in the, you
18 know, two to three prior months or longer, if
19 necessary.

20 Do you know if the Department -- and
21 again, you're still under the crunch right now.
22 I'm curious if the Department would be willing to
23 review or audit their long-term PUA claims and
24 kind of get that snapshot to say how many took
25 advantage of it. Because I think if we learn

1 from that, if we have another issue that comes up
2 in the future, a similar temporary program,
3 whether it's for the eight counties, as you saw,
4 if we can troubleshoot how to prevent that door
5 from staying open as long as it did when the
6 factors change or when the factors evaporate, I
7 think that would be helpful to the Department and
8 us as policymakers going forward to figure out
9 ways to close the door so that that money is
10 going to those who need it rather than those who
11 are just saying hey, the reason is there, I'm
12 going to check the box and just keep on
13 collecting because I can.

14 Human nature, you know, sometimes takes
15 the path of least resistance. And unfortunately,
16 that, as you mentioned in prior testimony, looked
17 like easy money, so they went after it. Or once
18 they got it, they said, hey, I'm going to keep
19 the gravy train coming. So kind of a nuance
20 question. And again, I understand the time
21 constraints you're under at this point, but I
22 think it's something that, in retrospect, we --
23 we should probably take a look at once things
24 cool down a little bit and we have the
25 opportunity to examine how to clean things up for

1 the future.

2 Looking around for any other questions,
3 seeing none, not having any notifications about
4 those online. I'm going to again thank you for
5 attending here in person. Appreciate you coming
6 in and offering your expertise and offering your
7 perspective on things. We appreciate the regular
8 updates and the transparency, as one of the other
9 members mentioned. It's very helpful to have a
10 department head who wants to work with the
11 legislature, so I appreciate that cooperation and
12 the -- your desire to serve the people of
13 Pennsylvania.

14 So with that, I'm going to close the
15 hearing. I hope you have a wonderful day. And
16 thank you, everyone, for joining us.

17 SECRETARY BERRIER: Thank you.

18 MAJORITY CHAIRMAN COX: This hearing is
19 adjourned.

20 (Whereupon, the hearing concluded at
21 11:15 a.m.)

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25

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.

Tracy L. Powell
Tracy L Powell, Court Reporter