

## ATTACHMENT I

### STATEMENT OF WORK (SOW)

Pondera Solutions LLC (Pondera or Vendor) will deliver to the Illinois Department of Employment Security (IDES) its fraud analytics (FraudCaster®) and case management (CaseTracker™) solutions (FraudCaster and CaseTracker, collectively, the System) together with related implementation services, all as more particularly described in this SOW. This SOW is attached to the Contract (No. 4100132391) between IDES and Pondera (the “Contract”). In the event of conflict between the Contract and this SOW, the terms and conditions of the Contract shall prevail.

#### 1. SCOPE OF SERVICES

- A. Pondera will deliver FraudCaster as a Software-as-a-Service subscription deployed in Microsoft’s Azure environment for unlimited users. The specific FraudCaster functionality and any applicable quantities or limitations to be delivered is as follows:

Activity	Description	Quantity
<b>Claimant Validation</b>	Pondera will run current claimants through FraudCaster to identify areas of risk such as shared values (such as home address, IP address, e-mail address), deceased participants, behavioral pattern matching, and other anomalies. Results trigger alerts and populate the claimant profiles.	Up to 1,100,000 profile
<b>Employer Validation</b>	Pondera will run existing employers through FraudCaster to identify areas of risk. Results trigger alerts and populate the employer profiles.	Up to 375,000 profiles
<b>Procedural Flagging</b>	Pondera will configure and deploy alerts to check anomalies. Results will trigger alerts on the Dashboard and will be added to claimant and employer Profiles.	Up to 20 flags
<b>Geospatial Analysis</b>	Pondera will geocode claimant and employer data for use in geospatial analysis to analyze relationships across participants.	Up to 3 maps
<b>Street View</b>	FraudCaster will provide street-level mapping to view claimant and employer locations from within the dashboard.	Up to 1,500,000 Entities
<b>Data Matching</b>	FraudCaster matches IDES enrollment data for claimants and employers against multiple lists such as the SSA DMF and more.	Up to 1,500,000
<b>Scorecard</b>	The FraudCaster Claimant Scorecard provides users with ready access to claimants and their associated risk score.	1 Claimant Scorecard
<b>Fictitious Employer Schemes</b>	FE Schemes allows users to view and compare behaviors of businesses and their claimants with aggregated patterns over time	1 FE Dashboard
<b>Network Analyzer</b>	Pondera will provide our link analysis module for case investigation.	Up to 5 templates

In addition to the above-described FraudCaster functionality, Pondera will include the stated quantities of the following 3 key Thomson Reuters CLEAR components:

- 10 CLEAR Investigations Advanced passwords with real-time access to data from credit bureaus, vehicles, reverse phone, social media, utilities, and more. Includes additional access to criminal records, real property, liens/bankruptcies, family members, and associates.
- CLEAR ID Confirm Batch Reports for up to 1,250 claimants per day for verifying identity of new claimants.

- One-time CLEAR ID Confirm Batch Reports for initial claimants from 3/1/2020 to 9/15/2020 to verify the identity of current claimants (estimated to be 1,100,000 unique claimants)

B. Pondera will deliver the following CaseTracker components for up to 10 users in the quantities set forth:

Activity	Description	Quantity
<b>Intake Form</b>	The intake form is used to record new cases.	1
<b>Workflow</b>	Workflow rules are used to optimize the business process. A 'rule' is logic that triggers a change in status.	Up to 7
<b>Case Record</b>	The case record will contain all the standard case functionality including those items in Case Details section.	No limit
<b>Case Details Overview</b>	This tab displays information on the intake form and includes up to 150 fields (closure reason, recommended outcome, etc.).	No limit
<b>Case Activity</b>	Record Notes Record To Do's with reminders Assign To Do's to a CaseTracker user other than case owner Send and receive emails from within a case.	No limit
<b>Case Entities</b>	Add multiple entities to a case to record various 'Entity Types' (i.e. customer, subject, witness, etc.). Each of the unique forms may have up to 50 data fields.	Up to 3
<b>Case Files</b>	Attach any sort of electronic document to the case (fax, scanned document, MS Word, etc.) with a maximum individual attachment size of 200 MB.	No limit
<b>General Case Features</b>	Ability to assign a case by selecting an owner from the pick list and the ability to print the case file. There is also case history that will display an audit trail of changes made to the case record.	No limit
<b>Integration with Current System</b>	Pondera can import cases from the existing case management system. Many clients choose to import active cases only.	No limit
<b>Case Record Forms</b>	Forms can be deployed within the case file to record information. Forms are used for data sets that must be recorded more than once during the case lifecycle. For example: An expense form could be deployed to track many expense items. An interview form could be deployed to record every interview conducted.	Up to 7
<b>Maintenance</b>	Pondera provides the following maintenance functions: <ul style="list-style-type: none"> <li>▪ Add, modify or delete users, select their access level and notify them by email of their username and password</li> <li>▪ Add, modify or delete category items (issues, products, etc.)</li> <li>▪ Add, modify or delete workflow rules (for example: users may change timing of notifications)</li> <li>▪ Add, modify or delete email standard responses</li> </ul>	No limit
<b>Access Controls</b>	Access controls restrict functions and data available to groups of users. For example, information may be restricted based on the user's department. In that case, the user only sees cases and report information related to that department. Other examples could include case type, location, severity, etc.	Up to 5 roles
<b>Reporting</b>	CaseTracker includes a standard reporting package. This is an ad-hoc reporting tool integrated in case management and will be populated with reportable field values. Pondera will provide reports based on the IDES requirements, such as audit or investigation outcomes, progress of prosecution referrals and hearings, and performance, to monitor program integrity efforts.	Up to 7 pre-configured reports and 4 ad-hoc reporting licenses

Activity	Description	Quantity
<b>Automated steps</b>	Built in processes to allow users to configure specific functions including transferring a complaint to a case, case assignment, set notifications for updates related to records submissions, reporting dates, field population, dependencies, form indicators etc.	Up to 8 business rules
<b>Search options on Advanced Search and Case View</b>	Ability to search within CaseTracker to identify potentially related cases or providers.	Up to 5 search criteria
<b>Time &amp; Expense Tracking</b>	CaseTracker includes a standard employee time and case expense tracking functionality. This facilitates the seamless creation of employee routine timesheets and investigative costs.	No limit

C. Pondera will provide the following training for the System:

- 1) Prior to go-live, Pondera will conduct on-site training sessions (absent any in-person restrictions due to COVID-19) for each IDES stakeholder group identified during the kickoff meeting. We will provide this training on the actual system and it includes customized, screen-specific user manuals. Pondera will use a combination of the following training:
  - Onsite classroom training prior to go-live
  - Web-based User Manual embedded directly in Pondera’s dashboard tab
  - One-on-One Training (remote, on-demand)
- 2) Pondera will also provide scheduled 30- to 60-minute intervals of personalized training, on an as-needed basis, for any user in need of additional training or support. These can be scheduled by request to cover or review a specialized skill set or to train new hires.
- 3) Throughout the term of this SOW, Pondera will conduct refresh-training courses for the Pondera System, both on-site and via web conferencing. These training sessions provide guidance for all users as well as specific break-outs based on system roles. In addition, Pondera is available for scheduled web-based training sessions, as requested. Pondera will provide annual onsite follow-up training after the initial implementation for analytics, case tracking, and reporting.
- 4) Pondera will provide an online User Manual for the Pondera System as described in Section 2 of this SOW. There is also user help within the application in the forms of contextual help and FAQs.

D. Pondera will provide the following Help Desk support for the Pondera System:

Throughout the term of this SOW, Pondera will provide both product and Help Desk support. Live phone support is available Monday through Friday from 08:00 CT to 17:00 CT, excluding Federal holidays. Access to the Pondera electronic ticketing system is available 24 hours a day, 7 days a week, and 365 days a year except for scheduled maintenance windows.

All authorized users can submit support requests via email, phone, or by directly logging them into the customer support portal. Pondera will respond to all support tickets submitted through the customer support portal during non-business hours in the next business day. Submitting a support request via email automatically creates a support ticket and an acknowledgement email, when a support ticket number is sent. Once a ticket is created, additional stakeholders / managers can monitor the status of support tickets at any time. Each support request must include:

- A description of the support ticket and an assessment of its severity
- A description of the events leading up to the need to create a support ticket (if applicable)
- Screenshots of the dashboard or system screen related to the problem (if applicable)

Every support ticket receives a tracking number and is assigned to a support professional depending on its severity level. Pondera identifies three support ticket severity levels, based on urgency and impact. The following table indicates the severity levels for support tickets, a description of what defines the severity of a support ticket, and the response time for each severity level:

Issue Severity Level	Severity Level Description	Issue Response Time
<b>High</b>	An issue that impacts all IDES users of the Pondera System. The entire or partial use of the Pondera production system is impacted such that there is complete loss of service or system functionality for which there is no workaround. The operation is mission critical to the business and the situation is an emergency.	Four (4) hours
<b>Medium</b>	An issue that impacts multiple IDES users or a portion of the Pondera System. Use of the Pondera production system is impacted such that important features or functions do not operate properly but acceptable temporary workarounds exist. Normal operation can continue with workarounds.	One (1) business day
<b>Low</b>	An issue that impacts neither the Pondera System nor IDES's use or access to the Pondera System such that the impact is an inconvenience or a minor deficiency. The overall performance and/or system integrity is unaffected.	Two (2) business days

Pondera will assign a member of the Special Investigations (SIU) to work with IDES investigations and enforcement staff. IDES may include Pondera's assigned SIU member in their regular activities such as SIU team meetings and enforcement debriefs.

The assigned SIU member will assist IDES in interpreting the results from the Pondera System and for capturing IDES requests for new functionality, data sources, and other constant improvement activities.

Upon IDES' request, Pondera will be available to review summary results of these activities with IDES on a quarterly basis. Any major issue or finding will be discussed with IDES as such major issues are discovered.

E. Pondera will provide the following hosting services for the Pondera System:

The Pondera System is hosted on the Microsoft Azure platform and data centers, which data centers physically store all physical hosting equipment, communication media, server / hardware, application access, and data storage. Pondera will provide frequent, non-intrusive updates and enhancements to the Pondera System. As a Software-as-a-Service offering, there will be frequent, non-intrusive enhancements and updates to the Pondera System. The 'What's New' tab within the Pondera System includes a description of all new functionality.

F. If required by IDES, Pondera will develop and deliver a detailed System Security Plan (SSP) prior to receipt of IDES data. The SSP documents and discusses the classification of the various data

elements obtained through IDES source files and other third-party data providers. The classification addresses the following categories:

- Public Information – Defined as information maintained by state agencies that is not exempt from disclosure under applicable state or federal laws
- Confidential information – Defined as information maintained by federal, state, and local agencies that is exempt from disclosure under applicable state or federal laws such as Personal Information, Federal Tax Information, Protected Health Information, Social Security Agency, etc.
- Sensitive information – Defined as information maintained by federal, state, or local agencies that may be public or confidential and requires a higher than normal assurance of accuracy and completeness. The key factor for sensitive information is that of integrity.

G. Pondera will provide the following data backup and recovery services for the System:

Pondera will perform encrypted file and database level backups. The encrypted backups are performed by the Azure Recovery Services Vault, are taken at the end of every business day and remain in the Azure data center. The storage system housing backup snapshots is an AES 256-bit Storage Access Network (SAN) storage device encrypted at rest. Each backup set has a pre-configured retention default period of six (6) monthly backups, five (5) weekly full backups, and six (6) daily differential backups. Once the retention period elapses, backups are overwritten.

H. Pondera will provide set up and configuration services for the System specific to IDES requirements. The System will leverage program data from IDES's own data systems. An initial output file for the previous three years will be used.

## 2. DELIVERABLES AND SCHEDULE OF PERFORMANCE

A. Pondera will provide the following deliverables to IDES:

- 1) **Master Design Document (“MDD”)** – Pondera will follow the Pondera Requirements and Onboarding Process (PROP) for this project. The PROP includes structured technical and business fit-gap interviews to validate IDES requirements. The PROP is used to configure dashboard components and thresholds, and to identify IDES data sources required by FraudCaster. The result of the PROP is the MDD which will be reviewed in detail with IDES and accepted by IDES before configuration work begins. Deliverable 2(A)(2) and 2(A)(3) will also be agreed upon prior to acceptance of the MDD.
- 2) **System Security Plan** – Pondera will develop and deliver a SSP to govern the project. The SSP will include information on how data is transported, secured, and purged and requires sign-off by all parties prior to the transport of any data. It will also describe how data will be used and which Pondera staff will have access to data and for what purpose. The SSP shall be consistent with the terms and conditions of the Contract including, but not limited to, the confidentiality and data security requirements established under the Contract.
- 3) **Data Files Specifications Document** – Pondera will provide a data files specification document that details the program data required for the Pondera System implementation. This specifications document details claimant, employer, and CaseTracker level data elements and format details and includes the methodology for data utilization in the Pondera System implementation.
- 4) **Preliminary Leads Report** – Pondera will deliver a preliminary leads findings report from the preproduction data runs. The report will be submitted 60 days after the receipt of a complete

dataset and will include results from the claimant and employer validation components. Pondera will provide IDES with details of the data sets run and the number and types of flags that were tripped, in addition to analysis performed by the SIU.

- B. This Section 2.B is an estimated project schedule for completion of deliverables identified in Section 2.A. The final schedule will be established upon a mutual agreement of the project plan.

Project Initiation:	September 15, 2020
One-Time CLEAR Batch data project begins:	September 15-22, 2020
Requirements Sessions:	September 22 <sup>nd</sup> - Oct 27 <sup>th</sup> , 2020
Receive Source Data:	October 15, 2020
Finalize FraudCaster Master Design Document:	November 10, 2020
Finalize CaseTracker Master Design Document:	November 24, 2020
Preliminary Leads Report:	December 17, 2020
FraudCaster & Case Tracker Go-Live:	February 22, 2021
FE Schemes/Network Analyzer Go-Live:	March 23, 2021

### 3. COMPENSATION AND PAYMENT TERMS

This SOW includes a 12-month subscription of the Pondera System. The first-year subscription fee is \$656,329 (FraudCaster and Case Tracker) plus a one-time data run for \$198,000.

#### A. Required Services

Solution	Annual Price
FraudCaster module subscription for up to 1.1 M claimants	\$395,000
CaseTracker module subscription for up to 10 users	\$167,500
SuperSearch with CLEAR ID Confirm for 1250 applicants per day	\$82,125
SuperSearch with CLEAR investigations/skip tracing lookups for up to 10 users	\$11,704
<b>TOTAL SUBSCRIPTION COST</b>	<b>\$656,329</b>

Solution	Annual Price
CLEAR ID Confirm Batch <b>ONE-TIME</b> run of Claim ID's from 3/1/2020 - 9/15/2020	\$198,000
<b>ONE TIME BATCH RUN</b>	<b>\$198,000</b>

B. Renewals – The Annual Price will increase by 3% over the preceding year commencing Year 2.

### 4. STATEMENT OF WORK MANAGERS

The Statement of Work Managers are responsible for deliverable sign-offs and other approvals as required by this SOW. The Statement of Work Managers are:

IDES	Pondera
Thomas Revane thomas.revane@illinois.gov (312) 793-9130	Tracy Miller Tmiller@ponderasolutions.com (651) 261-0744

## **5. IDES RESPONSIBILITIES**

The following are IDES responsibilities necessary for Pondera to provide the Services described in this SOW in a timely manner as mutually agreed upon by the Parties:

- IDES will provide technical user participation during the PROP to help Pondera identify and transfer data from source data systems.
- Throughout the implementation of the Pondera System, IDES will provide Pondera access to technical staff to respond to questions about database schemas, column names, and other technical aspects of IDES source data.
- IDES will produce the data extracts that Pondera will cleanse and transform for use in CaseTracker.
- IDES will provide master employer files including data elements such as name, address, Internal Unique ID type, etc.. All required specifications are included in the Pondera Data File Specifications Document.
- IDES will provide initial claims, continuing claims, and PUA claims information for the past three (3) years.
- IDES will provide weekly certification information for the past three (3) years.
- IDES will provide unemployment insurance tax information including, employer info, employer UI tax rate, inactive employers, NAICS codes, etc. for the past three (3) years.
- IDES will provide Master Claimant File including data elements such as name, SSN, DOB, ID number, etc. All required specifications are included in the Pondera Data File Specifications Document.
- IDES will provide data dictionaries from all data systems that will feed employer, claimant, and claims data delivered to Pondera.
- IDES will provide functional user participation during the onboarding sessions to validate requirements, work on thresholds, configure reports and other system functions, identify sources of IDES data for the analytics, and approve deliverables.
- IDES will provide functional user participation in quarterly meetings to review the results of the analytics, user statistics, and new data sources and system functions.

## **6. ASSUMPTIONS**



Pondera makes the following assumptions applicable to this SOW:

- Pondera will comply with the security, data use, and confidentiality requirements established under the Contract and SSP when signed by both parties; and
- All project timelines are based upon the identified delivery timelines for program data and technical/program feedback. Any delay in the delivery of the data or responses to clarifying questions surrounding the configuration of the data for FraudCaster, will result in delays to the proposed implementation schedule and may result in a Change Order.




Agreed to and accepted by:

**Pondera Solutions, LLC**

By:   
Printed:   
Title: Sr. Vice President  
Date: 09/10/20

**Illinois Department of Employment Security (IDES)**

By:   
Printed: Kristin A. Richards  
Title: Acting Director  
Date: 9/10/20