



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

February 27, 2024

Todd Feathers
MuckRock News DEPT MR 157912
263 Huntington Ave
Boston, Massachusetts 02115
157912-30912028@requests.muckrock.com

Dear Mr. Feathers,

This notice is a supplemental response to your email, dated January 29, 2024 (copy attached), received by the Department of Labor and Economic Opportunity (Department), Unemployment Insurance Agency (UIA) on January 30, 2024. You requested information, under the Freedom of Information Act (FOIA), MCL 15.231 et seq., as follows:

- . . . 1) All contracts the department has entered into since Jan. 1, 2020, for the provision of unemployment fraud detection tools. This includes identity verification tools and data analytics services such as risk-scoring and fraud-scoring algorithms.
- 2) All analyses of the accuracy of the department's fraud detection tools, as requested by the Department of Labor in UIPL No. 1-24. This should include analyses conducted by the department or provided to the department by the vendor or a third party since Jan. 1, 2020.
- 3) All analyses of whether the department's fraud detection tools disproportionately flag certain groups, as requested by the Department of Labor in UIPL No. 1-24. This should include analyses conducted by the department or provided to the department by the vendor or a third party since Jan. 1, 2020

Section 5(2) of the FOIA, MCL 15.235(2), provides that a public body shall respond to a request for a public record within 5 business days after the public body receives the request by either granting or denying the request, granting the request in part, or issuing a notice to extend, by not more than 10 business days, the period during which the public body shall respond to the request.

On February 6, 2024, the Department extended, by not more than 10 business days, the period to respond to your request rendering a subsequent response due to you by February 21, 2024.

On February 20, 2024, upon initial review of the Department's records, your request was denied on the basis that the information you requested did not exist within the Department. However, further review of the Department's records revealed additional information, as follows:

In response to #1, the UIA certifies that those public records do not exist within the Department or the UIA under the name given or by another name reasonably known to the UIA, and that portion of your request is denied under section 5(5)(b) of the FOIA, MCL 15.235(5)(b). However, you may wish to submit a new FOIA request to the Department of Technology, Management and Budget (DTMB), which is responsible for state contracts. You may submit your request by email to DTMB@michigan.gov. See also www.mi.gov/dtmb/footer/foia.

In response to #2, the UIA retained Deloitte in 2020, which produced a [report](#) in November 2020. That report analyzed UIA's Fraud Manager software, identifying a sequencing error that occurred beginning on April 5, 2020, before it was corrected on May 19, 2020. It also found that its filters were turned off before being reactivated on May 22, 2022. See also the department's [press release](#) on the topic. In addition, the following Office of Inspector General's December 2023 [Fraud and Investigation Activities](#) audit and January 2023 [Claims Processing](#) audit analyze the UIA's fraud detection tools. See also the department's [press release](#) issued following the release of the December 2023 audit and its [press release](#) following the release of the January 2023 audit.

Since then, the UIA's Fraud & Investigations Division regularly runs reports concerning trends and spikes in the opening of fraud investigations. More recently, it identified a programming error that resulted in too many fraud cases being opened. It diligently worked to resolve those cases quickly to avoid delays in claim processing and contacted the National Association of State Workforce Agencies (NASWA) to notify it of the problem that was affecting other state workforce agencies reliant on the [Integrity Data Hub](#) (IDH) to flag possible fraudulent activity.

The UIA offers many options for claimants to verify their identity. If a claimant fails identity (ID) proofing at their initial account creation with the State of Michigan's single sign-on solution or by getting flagged by NASWA's IDH, Social Security Administration (SSA), or UIA's Fraud Manager software, they get the UIA 6347 Request for Information form in the mail to resolve their issue. See <https://www.michigan.gov/leo/bureaus-agencies/uia/tools/publications/what-is-fraud> for more information. Other states do not have this and too many are solely reliant on [ID.ME](#) and the like as their one solution.

In response to #3, the UIA certifies that those public records do not exist within the Department or the UIA under the name given or by another name reasonably known to the UIA, and that portion of your request is denied under section 5(5)(b) of the FOIA, MCL 15.235(5)(b). By way of further explanation, ID Proofing rules, IDH rules, and Fraud Manager rules are all based on claim attributes that are not based on gender, age, disability, race, or other protected class. They are based on internet protocol (IP) address information, bank routing numbers, separation reason, the time of day the claim was filed, time spent filing a claim, and similar attributes.

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As it relates to the denial, you have the right under section 10 of FOIA, MCL 15.240, to submit to the Department of Labor and Economic Opportunity Director, or the designee of the

director, a written appeal that specifically states the word “appeal” and identifies your reason(s) for reversal of the denial. You also have the right to judicial review of this denial by commencing an action in the Court of Claims within 180 days after LEO’s final determination to deny this request. If a person asserting the right to inspect, copy, or receive a copy of all or a portion of a public record prevails on, the court shall award reasonable attorneys’ fees, costs, and disbursements and possible damages.

FOIA appeals for UIA within LEO may be sent via email to:

Attn: Kim Breitmeyer
Legal Advisor and Legal & Compliance Bureau Director
Unemployment Insurance Agency
Department of Labor and Economic Opportunity
Email: LEO-FOIA@michigan.gov

A copy of LEO’s FOIA Procedures and Guidelines is available at, www.mi.gov/LEOFOIA

Sincerely,

Ivory Bennett

FOIA – Unemployment Insurance Agency

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