

U. S. Department of Labor Employment and Training Administration Washington, D.C. 20210	CLASSIFICATION UI
	CORRESPONDENCE SYMBOL OWS/DPM
	DATE February 27, 2008

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 3-07,
CHANGE 1

TO: STATE WORKFORCE AGENCIES

FROM: DOUGLAS F. SMALL /s/
Deputy Assistant Secretary

SUBJECT: Use of National Directory of New Hires (NDNH) in Unemployment
Insurance (UI) Benefit Accuracy Measurement (BAM) Audits

1. Purpose. To provide additional instructions to State Workforce Agencies (SWAs) on the use of the NDNH as a mandatory part of the BAM case investigation methodology.
2. Reference. Unemployment Insurance Program Letter (UIPL) No. 3-07 (October 31, 2006).
3. Background. UIPL No. 3-07 provided guidance on state use of the NDNH as part of the BAM case investigation methodology, which was effective with BAM batch 200801 (sampling week beginning December 30, 2007, and ending January 5, 2008). It established uniform matching procedures for all state BAM operations. These procedures do not coincide with the matching procedures followed by most Benefit Payment Control (BPC) operations, particularly with respect to the timing of matches and the period of time for which matching is requested. In response to questions received from the SWAs, the following additional guidance is provided.

RESCISSIONS None	EXPIRATION DATE None
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4. Additional Guidance/Instructions.

a. Identification of BAM cases.

The BAM crossmatch with the NDNH is independent of NDNH matching conducted by BPC or any other state program or agency. States will identify BAM cases in the Passback Data field of the NDNH SWA Input Detail Record (Attachment A, positions 57-76). This 20-character alphanumeric field is used to specify the type of record submitted to NDNH. States will determine how to code this field, and the code will be included in the Passback Data field of the SWA W-4 Output Detail Record (Attachment B, positions 815-834) returned by the Office of Child Support Enforcement (OCSE). BAM cases could, for example, be designated in the Passback field with the batch and sequence number identifiers: BAM 200801 01.

b. Time period to be included in the match.

Paragraph 2 of Attachment B, UIPL No 3-07, instructs states to “crossmatch the SSNs of the BAM sample cases with new hire directory records that include the period from the claimant’s benefit year beginning (BYB) date (or 365 days prior to the KW [Key Week] ending date, whichever is less [shorter]) to 30 days after the KW ending date of the sampled week.”

Example:

Benefit year beginning (BYB) date (BAM data element c3) = 12/09/2007

Key Week ending date (BAM data element mkw) = 01/12/2008

BAM will match this case against new hire records from 12/09/2007 to 02/11/2008. These dates will be specified in the NDNH SWA Input Detail Record W-4 From Date field (Attachment A, positions 79-86) and the W-4 Through Date field (Attachment A, positions 87-94).

c. Name-SSN verification required.

The Verification Request Indicator (Attachment A, position 16) is used to indicate if the state is requesting verification of the UI claimant’s SSN and Name combination. Verification will be performed using the NDNH’s SSA SSN verification routines. States will enter ‘Y’ – SSN/Name verification is requested. If verification fails, the record will be eliminated from the match, and the verification result will be returned in the Reject Code field on the SWA Notify Output Detail Record (Attachment C, position 151).

If the record is eliminated from the match, BAM must follow up on any issues identified in the SWA Notify Output Detail Record, resolve the issues if possible, and resubmit the record for crossmatch. For example, the name / SSN

combination submitted by the agency could differ from the one on file with the SSA (due to marriage, divorce, or adoption, for example) or a misspelled name. This might also flag an identity theft or fraudulent SSN issue.

d. Match against in-state records required.

States will enter 'Y' in the W-4 Same State Data Indicator (Attachment A, position 78) to insure that BAM cases are crossmatched against new hire records submitted to NDNH by its own state (BAM state/Submitting state code).

e. Point of Detection codes for errors identified by NDNH match.

The Point of Detection (BAM data element ei5) of all payment errors identified through NDNH matching must be coded 80 through 89. Codes 81-87 designate the detection point at which the agency documented the payment error in their investigation subsequent to the NDNH match.

Example: BAM contacts the employer submitting the new hire report that matched, and the employer provides documentation that the claimant received wages for the paid week (key week sampled) that the claimant did not report. The point of detection for this overpayment error will be 82 (NDNH / verification of wages).

f. Use of reopen code 7.

BAM cases that need to be reopened due to information obtained as a result of the investigation subsequent to the NDNH match must be reopened using Reopen Case (BAM data element ro1) code '7'. The time-lapse for cases using reopen code '7' will not be recalculated. If Reopen Case = 7, the Key Week Action Code Flag (BAM data element h1) must equal 4, 5, 7, or 8. See UIPL No 3-07, Attachment B, for a definition of these codes.

g. Required documentation of NDNH match.

In order to facilitate case review and monitoring, the case file of all BAM paid claims samples selected for batch 200801 forward must include documentation that a crossmatch with the NDNH was performed, whether or not the claimant SSN matched a new hire record. This can include, for example, paper copies of the input file submitted to OCSE, screen shots from the agency's information system, or summary reports produced by the agency documenting the submission of individually identifiable records to OCSE for matching.

h. All 2008 cases must include NDNH match.

BAM programs that are not crossmatching according to the required specifications or did not begin to crossmatch with batch 200801 must crossmatch all BAM paid claims sample cases selected for batch 200801 forward. Until NDNH crossmatch systems are in place, appropriate parameters are established,

and crossmatches are complete, BAM programs may close cases and then subsequently reopen them as noted above. **All calendar year 2008 paid claim cases must be crossmatched with the NDNH database.**

5. Action. State Administrators are requested to provide the information contained in this advisory to the appropriate staff.
6. Inquiries. Questions should be directed to the appropriate regional office.
7. Attachments.
 - A. SWA Input Detail Record
 - B. SWA W-4 Output Detail Record
 - C. SWA Notify Output Detail Record