



Ohio House of Representatives Ways and Means Committee
Testimony on H.B. 614: Study and Reform the Unemployment Compensation System
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Good afternoon, Chairman Merrin, Vice Chair LaRe, Ranking Member Rogers and members of the committee. I am Elise Geig, Director of Government Relations for Equifax, based here in Columbus, Ohio. I would like to thank Representative Fraizer for inviting me to testify before committee today on H.B.614.

Equifax Inc. is a global data, analytics and Technology Company. We provide information solutions for businesses, governments and consumers, and we provide human resources business process outsourcing services for employers. We operate or have investments in 27 countries, and employ approximately 11,600 employees worldwide. This includes 250-275 Ohio-based employees, most located in our Hilliard office where we service approximately 9,500 active state account numbers in Ohio. We are charged with investigation, employer consultation, and remaining in compliance in handling JFS requests for information. We also counsel employers upon receipt of determinations and prepare witnesses to participate in administrative UI hearings.

Most of you are likely very familiar with Equifax as a nationwide consumer reporting agency. However, you may not be aware of the work we do assisting more than 40 state agencies across the country by providing real-time, automated employment and income verification services to support eligibility determination for government benefit programs. This service is available to state agencies through our proprietary database known as The Work Number, and helps to enable program integrity and reduce improper payments in programs such as Medicaid, CHIP, (SNAP), and Temporary Assistance for Needy Families (TANF), public housing and unemployment.

Right here in Ohio, Equifax is proud to work with the Ohio Department of Job and Family Services, for over 10 years providing current employment and income data for SNAP, TANF, and Medicaid, helping to ensure that Ohioans have access to the benefits they need, particularly during this challenging time. With access to over 105 million active records from over 700,000 employer contributors, Equifax can verify individual's current employment and income instantly at the time of application as well as for renewal of benefits.

As I know you are all aware, Ohio has seen its unemployment claims increase 2700% in the wake of COVID-19. With this dramatic increase, state agencies will be challenged with verifying weekly certification for independent contractor records and furloughed employees as individuals return to work. In Director Hall's testimony on May 27, 2020, she indicated the weekly certification process is a significant challenge.

The Work Number provides states with up-to-the-pay-period data direct from employers and payroll data providers. With the recent addition of independent contractor records, which states have no current employment and income information on today other than annual 1099 reporting, the database can add even more value, particularly as Ohio works to manage this dramatic increase in individual's receiving unemployment benefits. Benefit year earnings represent over 26% of all overpayments caused when claimants return to work, fail to report earnings, and continue to claim and collect benefits.

Unemployment Insurance agencies are required to verify weekly certification using the National Directory of New Hires. The challenge is furloughed employees, which represented 88% of the applicants in May, who are returning to work and will not be reported as new hires to the state within 25 days like other new employees. The Work Number database is the best source for determining return to work and earnings accurately because it shows up-to-date pay period detail vs lag with quarterly state wage data. Identifying return to work faster can decrease improper payments and prevent fraud. We can also help verify hours worked for Work Share Program participants.

An Equifax pilot conducted with Utah Department of Workforce Services found that use of The Work Number resulted in quicker detection, earlier intervention and education for claimants who file while unemployed. Findings include:

- 50% of investigations confirmed overpayment
- Overpayments were found 5 months faster than original methods
- UT has an improper payment rate of 5.225

In addition to The Work Number database, Equifax has visibility on about 98% of the adult population through other data sources including the credit file. Understanding if someone collecting unemployment insurance while incarcerated or deceased will help decrease fraud. Equifax fraud solutions focused on verification of PII, identifying device fraud, synthetic ID risk scoring and account verification confirming identity is associated with bank or credit card accounts. With the additional benefits being offered, fraudsters may be more enticed to apply for unemployment insurance, and commercial data can help Ohio prevent improper payments.

Using the most-up-to date employment and income data available helps supports Ohio by providing quick, secure and automatic verification of individuals' current employment and income information, thus expediting eligibility determinations and expanding access to vital government benefits for those who need it most while preventing overpayments to responsibly manage tax payer dollars and protect the integrity of the Unemployment Insurance Trust Fund by reducing over payments.

Program integrity and data delivery are at the core of the State of Ohio's ability to deliver benefits in a timely and accurate manner to its residents. At Equifax, we are committed to delivering new and innovative ways to help our public sector customers achieve effective delivery of benefits as efficiently as possible.

We propose that Ohio should move quickly to adopt a system using real-time actual employment and income data across all its benefit programs to help State Workforce Agencies more efficiently approve dislocated workers' UI claims and get qualified applicants the benefits they need by streamlining eligibility verification at all stages of the process.