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uDetect™
Uncover unemployment insurance fraud

The recession brought a tsunami of unemployment insurance (UI) claims, so it's not surprising that the number of fraudulent benefit requests also surged. In fact, U.S. Department of Labor studies show approximately $2.2 billion in unemployment benefits were dispersed to unqualified individuals in 2011.[1]

Few, if any, are more frustrated by this statistic than state UI agency directors who are working to provide a financial bridge to unemployed workers while trying to deter abuse. Many rely on conventional cross-checking methods based on historical data, which uncover fraudulent claims after the fact. By the time employment records reveal a falsified claim, erroneous payments are often unrecoverable. This is where Deloitte's uDetect analytic tool can help by pinpointing—and even predicting—likely abuse.

Sooner rather than later
uDetect can help state UI agencies harness the power of their data to prevent fraud, waste, and abuse. With uDetect, state UI agencies gain analytic and predictive modeling capabilities that can help identify likely fraud or overpayments early—providing more time for interventions that could help recover or prevent overpayments.

Get inside your data

At Deloitte, analytics isn't just a good idea—it's a call to action. That's why we've launched the *Analytics Answers* series of solutions—practical, problem-specific tools that are ready to deploy today.

uDetect enhances rules-based cross-matches by using advanced analytics and additional data sources to identify anomalies and abuse patterns early, so that preventative actions can be taken. The findings are often surprising. For example, one state agency found that while construction workers submit the highest number of unqualified unemployment claims, the largest overpayments are made to health care support workers. They also learned that fraudulent claims are more likely to be submitted in the early morning, indicating that the claimants may be filing for unemployment benefits before going to work. Insights such as these allow agencies to more effectively direct their efforts and improve processes to prevent unqualified payments.

How the solution works
uDetect can identify high-risk applicants early so that investigators can focus their efforts more effectively. The solution evaluates UI claims using an automated three-step process:
- *Initial application.* Scores each UI application from 1 (low risk) to 100 (high risk) based on the probability that the application could result in benefit year earnings overpayments.
- *Weekly certification.* Updates each claimant's risk score based on weekly submissions behavior patterns, which can further increase score accuracy over time.
- *Unusual UI benefit claims.* Identifies applications that could result in other types of abuse, beyond benefit year earnings fraud, based on predictive analytics models.

[1] Izzo, Phil, *The Wall Street Journal*, April 27, 2013

The solution can identify the most common type of abuse—benefit year overpayments—before it occurs. uDetect goes even further, helping agencies uncover fraudulent claims and schemes that cross-match processes cannot identify.

Bottom line benefits
UI agencies can tap uDetect's capabilities as an enhancement to Deloitte's uFACTS claims system or another legacy system—or as a Deloitte-hosted software as a service. Regardless of the option they choose, state UI agencies can gain new capabilities that help:
- Reduce fraud, waste, and abuse
- Provide a platform for more accurate delivery of benefits
- Fund other beneficial programs through the reduction of erroneous payments
- Segment applicants to identify qualified individuals
- Allow investigators to focus efforts on more costly abuse cases

Learn more and get connected
- Deloitte Analytics
- @DeloitteBA
- Deloitte Real Analytics
- www.deloitte.com/us/analyticsanswers

Contact us
If you think that uDetect could help reduce your state's unqualified UI claims, we should talk. Please reach out to any of us to get the conversation started:

Scott Malm
Principal
Deloitte Consulting LLP
smalm@deloitte.com

David Duden
Director
Deloitte Consulting LLP
dduden@deloitte.com

Frank Zizzamia
Director
Deloitte Consulting LLP
fzizzamia@deloitte.com