

Status of Audit Resolution

December 2013

Employment Security Department (ESD)

Agency: 540

Audit Report: 2012 F

Finding Number: 010

Finding: The Employment Security Department did not attempt to collect \$440,925 overpaid to claimants for Federal Additional Compensation Unemployment Insurance.

Resolution: On September 7, 2012, the Department completed the necessary computer programming to bill, collect, and account for Federal Additional Compensation (FAC) overpayments. Billing statements were subsequently mailed to claimants who had outstanding FAC overpayment balances. As of November 13, 2012, the Department successfully collected \$2 million in FAC overpayments.

Department efforts will continue as permitted by state and federal law to collect outstanding FAC overpayment balances.

The U.S. Department of Labor has evaluated the finding and the Department's corrective actions and issued their final determination dated August 20, 2013, that questioned costs identified in this finding were not subject to repayment.

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Employment Security Department (ESD)

Agency: 540

Audit Report: 2012 F

Finding Number: 011

Finding: The Employment Security Department does not have controls to ensure compliance with U.S. Department of Labor requirements for determining the accuracy of Unemployment Insurance benefit payments.

Resolution: The Department has continued to work on improving Benefits Accuracy Measurement (BAM) program processes to ensure complete, accurate, and timely investigations are conducted.

The Department has completed the following actions:

- Updated the BAM procedures manual as of July 2012. Continue to revise the manual as needed to remain compliant with U.S. Department of Labor (USDOL) requirements.
- Standardized the number of contacts attempts required for compliant BAM claim investigations.
- Provided additional investigative and adjudicative training to staff.
- Increased communication among staff, other department units, and with USDOL to improve quality and consistency of case investigations.
- Created standardized forms for use in improving accuracy and quality of investigations.
- Implemented a toll-free phone number to increase claimant and employer response rates.
- Increased number of contact attempts to verify work search.

The Department will continue to make improvements in BAM investigative processes during the next audit period including increasing the number of files reviewed by supervisory staff.

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