Fraud Initiative Rating and Rules Engine

Reemployment Assistance Program

October 2016
THE PROBLEM

• Identity theft occurs when someone’s Personal Identifying Information (Social Security number, date of birth, driver’s license information, wage information, medical information, etc.) is accessed/used without his or her knowledge/permission, usually for financial gain.

• Personal Identifying Information (Social Security number, date of birth, and driver’s license information, etc.) is being secured through hacking, theft, data breaches, or by other means such as the dark web.
ID Theft is at crisis levels

**U.S. Population: 320,000,000**
**Records Breached since 2013: 3,600,000,000**

A sampling of populations hit by identity theft in recent years:

<table>
<thead>
<tr>
<th>Company</th>
<th>Records Breached</th>
</tr>
</thead>
<tbody>
<tr>
<td>Court Ventures</td>
<td>200,000,000</td>
</tr>
<tr>
<td>EBay</td>
<td>145,000,000</td>
</tr>
<tr>
<td>Heartland</td>
<td>130,000,000</td>
</tr>
<tr>
<td>TJ Maxx</td>
<td>94,000,000</td>
</tr>
<tr>
<td>AOL</td>
<td>92,000,000</td>
</tr>
<tr>
<td>Anthem</td>
<td>80,000,000</td>
</tr>
<tr>
<td>Sony</td>
<td>77,000,000</td>
</tr>
<tr>
<td>JP Morgan</td>
<td>76,000,000</td>
</tr>
<tr>
<td>Target</td>
<td>70,000,000</td>
</tr>
<tr>
<td>Home Depot</td>
<td>56,000,000</td>
</tr>
<tr>
<td>U.S. OPM</td>
<td>21,500,000</td>
</tr>
<tr>
<td>Experian</td>
<td>15,000,000</td>
</tr>
<tr>
<td>Excellus BCBS</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Virginia DOH</td>
<td>8,200,000</td>
</tr>
<tr>
<td>Georgia SOS</td>
<td>6,000,000</td>
</tr>
<tr>
<td>Scottrade</td>
<td>4,600,000</td>
</tr>
</tbody>
</table>
Why so much fraud?

- Ease of stealing IDs (information is everywhere and unprotected)
- Automation and use of internet as the primary benefit delivery system
- Mandates for fast payment vs. fraud detection
- A safe and profitable crime
  - One claim in all 52 UI programs = $21,000 per week
- Cheap and accessible PII data for sale (Dark Web).
• **2013**: Identified about **9,600 fraudulent claims** through complaints, etc.

• **2014**: deployed in-house data analytics program and found nearly **70,000 fraudulent claims**

• **From 2013-2016**: identified over **122,000 fraudulent claims**

• The potential value of fraudulent claims = **$470 million**

• **Note**: UI is small in scope (60K to 90k unique active claimants at any given time during 2015) compared to other benefits (3.2 Million SNAP beneficiaries)
OUR SUCCESS

- The State Excellence Award for Leadership (SEAL) Award in 2015
- Estimated cost savings was almost $143 million in 2015
- At the current rate, the program is on track to prevent over $500 million in fraudulent claims from being paid over 5 years
- Millions in cost avoidance from downstream business impacts of fraudulent claims
- Provided specific data sets to U.S. Department of Labor (OIG) and law enforcement that aids in prosecution
How FIRRE works with our system
Case Management System

How do employees retrieve their work assignments?
Individual claimant details for selected claim

All employees work out of the FIRRE queues (IC, CC, MT) on the “cases” page.

Claims in the FIRRE queues have tripped one of FIRRE’s business rules.

Investigators determine if a claim is to be locked, cleared, or verified.

ID theft claims which trip high value rules are auto locked by the system or locked after investigator review.

Legitimate claims flagged by lower value rules are cleared by investigators.

Suspicious claims are sent to their respective verification queue. A verifier will attempt to contact the putative claimant.
Investigation Tools

Additional information to make a decision
**Claim Stats** section displays the number of times IP, email, and bank have been entered into the system over time.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Today</th>
<th>Week</th>
<th>Month</th>
<th>3 Months</th>
<th>6 Months</th>
<th>Year</th>
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</thead>
<tbody>
<tr>
<td>IP Address</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Email Address</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Bank Account Number</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Minutes in System</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
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- Number of Triggers: 2
- Number of Flags: 1
- Number of Indicators: 0

- Suspicious Bank Routing: YES
- Bank Account in Use Exceeds Threshold: YES
- Bank Fraud: YES

**FIRRE Report** section displays FIRRE rules "tripped."

- Ability to search within individual claim
- Additional claimant details
- Ability to flag claim for verification, investigation, lock/clear.
- Employment Details
The Search Screen provides investigators the ability to search by specific criteria. Additional Categories (e.g. Address, Employer, etc. – 50+) - Ability to sort/facet into classification(s) for all categories.
Advanced search allows investigators to search by any of the fields below:

- Claimant ID
- Last Name
- IP Address
- Address Type
- Physical Address
- Claim ID
- First Name
- Primary Phone
- Claim Type
- Claim Status
- Email
- Date of Birth
- Claim Date Range (Begin)
- Claim Date Range (End)
- Select Date Type
- Social Security Number

<table>
<thead>
<tr>
<th>Claim ID</th>
<th>Claimant ID</th>
<th>Routing Number</th>
<th>Bank Account Number</th>
<th>Email ID</th>
<th>Email Domain</th>
<th>IP Address</th>
<th>Claim Submitted</th>
<th>Login Time</th>
<th>Upload Time</th>
<th>Claimant SSN</th>
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<tbody>
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IP Details

Using IP information for an investigation
Neustar provides data/scores relating to both their confidence in the information provided, as well as the likelihood that the IP in question is a real user, or a bot. Additionally, Neustar indicates when it detects a proxy being used.
FIRRE displays historical claims data relating to the IP, as well as a list of all claims associated with the IP in question.
Selecting a claim and clicking “Map View” displays Google map results for the IP, as well as the claimant’s residential address.
Claimant’s Residential/Mailing Address

IP address used to file the claim

The Heat Map function displays the areas with the highest volume of locked claims within FIRRE.
Heat Map Overlay displays the areas with the highest volume of locked claims within FIRRE.
Thank You.

If you have questions or comments about this presentation or schedule a demonstration; please contact our office.

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