uDetect™

Stop chasing, Start preventing.

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Accurate self-reporting of information when filing an unemployment insurance (UI) claim can help out-of-work Americans receive appropriate benefits at a time when they need them the most. But far too many claims are filed with inaccurate information by individuals unfamiliar with the process, or by others who attempt to improperly game the system.

Too often, agencies discover misreporting errors and fraud long after benefits are paid. That's because traditional cross-matches aren't enough. Approaches typically used –weekly wage reports, new hire databases, and employer verification – are time consuming and determine which payments were incorrectly paid long after the money has gone out the door. Our internal research shows that even the most advanced cross matches take 4-6 months on average to determine which overpayments were fraudulent.

The hard-dollar impact of fraudulent and incorrect UI claims is staggering. In 2013 alone, the U.S. Department of Labor reported that more than $7 billion1 in improper payments were made by issuing agencies, with only about 25 percent subsequently recovered.

Early detection and innovative intervention

What if improper payments could be prevented at the time the claim was submitted, enabling state UI agencies to do a better job of combating overpayment while helping to ensure no interruption for eligible claimants – all without adding to the workload of overburdened UI staff?

Deloitte's uDetect™ is a suite of advanced analytical tools designed to put insight at the front end of the UI claim filing process, helping unemployed workers more accurately self-qualify and agencies more easily identify and reduce improper payments prior to disbursement.

Combining predictive analytics and machine learning methods, uDetect™ identifies claims with the highest risk for improper payments at the time the claim is submitted – either through the internet or IVR system. Further, uDetect™ integrates behavioral analytics to provide at-risk individuals with educational information early in -- and throughout -- the claims process, which can significantly improve the veracity of the data they report.

As a result, fewer unqualified UI claims are made and the percentage of proper disbursements increases – helping preserve the integrity of the UI system and deliver benefits only to qualified recipients.

[1] Agency Financial Report – Fiscal Year 2013, U.S. Department of Labor, p.150, http://www.dol.gov/_sec/media/reports/annual2013/2013annualreport.pdf

How uDetect™ works

The uDetect suite of advanced analytics tools encompasses:

- Predictive modeling – Statistical modeling and machine learning algorithms to identify overpayment risk based on patterns in historical data.
- Behavioral analytics – Nudge claimants with educational and persuasive messages during the process to clarify eligibility requirements and encourage accurate self-reporting and compliance with UI policy.
- Randomized Control Trials – Measure the results of the program, learning which messages and interventions are more effective, enabling a culture of adaptation and continual improvement. Additionally, accurately and swiftly measure the effectiveness and benefits of the program.

The potential benefits of insight

Whether using uDetect™ as a standalone service, coupling it with a modernized UI system such as Deloitte's uFACTS claims system, or integrating it in a legacy system, the platform is designed to offer potential benefits such as:

- Reduce ineligible UI claims, by enabling applicants to more accurately self-report separation, earnings, and work search information.
- Make fewer improper payments, which can generate millions of dollars in savings.
- Reduce claim durations, helping unemployed workers find jobs.
- Achieve deeper insights into the causes of overpayment your state.
- Protect eligible claimants by leveraging innovative behavioral nudges that reduce improper payments without affecting eligible program participants.
- Work "smarter not harder" with no additional workload on scarce agency resources by focusing efforts on those cases that need the most attention.

By helping people self-qualify correctly while also analyzing and predicting the likelihood of fraud, uDetect™ can potentially save millions for UI trust funds. Equally important, the solution can enable UI agencies to provide a higher level of service to qualified recipients who deserve the benefit of insight.

Case Study:

Accurate self-reporting can reduce UI overpayments by 3-5% with no staff effort

Early detection is the key to a healthy outcome. With uDetect™, claimants self-qualify more accurately as they initiate the UI claims process -- resulting in fewer improper claims ever entering the UI claims workflow.

Once claims are submitted, uDetect™ uses sophisticated analytics capabilities – including predictive modeling, machine learning, anomaly detections, and analysis of behavioral patterns – to identify likely abuse early while preventative action can be taken, all without the need for additional time and resources.

One insight-driven UI agency recently realized the value of analytics when uDetect™ was implemented as part of an innovative approach to modernizing its UI systems. By coupling predictive analytics with behavioral economics (i.e., "nudges") to provide claimants with helpful information at key moments in the application and certification process, the agency has seen substantial improvement in the accuracy of initial claim filings and weekly certifications.

Results from our clients show that people volunteer more accurate information with uDetect™. In a randomized control trial, claimants are 15 to 25 percent more likely to accurately self-report separation reasons at initial claim and self-report earnings 25 percent more often. Improved self-reporting translates directly into avoided overpayments – a 3-5 percent reduction in unrecovered overpayments.

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:

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