State of Oregon
Employment Department

Potential Disparate Impacts of ID.me for Unemployment Insurance Claimants in Oregon – Anonymized

Introduction

When the COVID-19 pandemic struck, the Oregon Employment Department (OED), along with other states across the nation, faced a barrage of fraud attempts from national and international crime rings trying to steal benefits from the unemployment insurance (UI) system. Some of these criminal networks used people's personal identifying information – information they had stolen or purchased on the black market – to attempt to obtain UI benefits fraudulently. Their attacks threatened, and continue to threaten, the UI Trust Fund, which contains funds used to pay UI benefits. They also delay providing benefits to the identify theft victims who were legitimately seeking UI benefits.

When someone applies for UI benefits, state workforce agencies need to ensure a stolen identity is not being used to obtain benefits. Currently, there is not a robust nationally provided system that adequately does this, and there are only a limited number of third parties that offer these types of services in the market today. The Oregon Employment Department works hard to ensure people with legitimate claims can easily access UI benefits and to prevent criminals from defrauding the UI system.

Background

OED contracted with ID.me to conduct identity verification for all regular unemployment insurance (UI) and Pandemic Unemployment Assistance (PUA) claims. OED launched the ID.me pilot on March 8, 2021. The pilot consisted of 150 PUA claims that other fraud prevention tools had flagged as having potential indicators of fraud.

On July 14, 2021, OED sent just under 15,000 previously filed PUA claims that also had indicators of potential identity theft to ID.me and implemented an automated process to send all future PUA claims with those indicators to ID.me. On Aug. 10, 2021, OED implemented an automated process to send all PUA claims to ID.me. On Sept. 29, 2021, OED implemented an automated process to send all regular UI claims to ID.me.

The automated processes implemented for PUA on Aug. 10, 2021, and regular UI on Sept. 29, 2021, require claimants to verify their identity before the Oregon Employment Department pays any weeks of benefits. OED paused the automated process for regular UI on Oct. 29, 2021, to perform an internal study to determine if there were disparate impacts among various demographic groups. Further, OED wanted to

explore what processes or mitigations could be put in place to minimize any potential disparate impacts that might be found. PUA claims were not included, due to the expiration of the federal program in early September 2021.

OED used multiple demographic groups to review the rate at which people referred to ID.me had completed that process. It is important to note that the data reviewed is specific to regular UI claims and does not include PUA claims; in addition, all categories marked with * are optional, with information voluntarily provided by the claimant. For the optional data elements, OED has less-complete data. The demographic groups used for the analysis include the following:

- Gender*
- Age, broken down in five-year increments, with the exception of those 20 years old and younger and 76 years old and older
- Income based on weekly benefit amounts, broken down in increments of $100
- Language*
- Ethnicity*
- Filing method
- Race*
- County of residence

Overview

OED initially took a snapshot of information on Nov. 3, 2021, for claims processed between Sept. 29, 2021, and Oct. 29, 2021. Eighty-five percent of all the claimants who completed ID.me did so in the first two weeks of the study period.

This revealed differences in ID.me completion rates among some demographic categories; however, it did not show causation for these impacts. For example, some segments of the population may be more susceptible to having their identity stolen and thus their claims more likely to be flagged as fraudulent. Of note, some demographic sub groupings were as small as one claimant.

Data

The Oregon Employment Department undertook this work because of our commitment to equity, inclusion, and making our programs as easy as possible for the public to access. With increased interest in the use of ID.me, and because of our commitment to being transparent, the data is aggregated to remove detail that could potentially identify UI claimants based on the small size of specific demographic data sets.

Our initial review did not differentiate between initial claims processed on Sept. 29, 2021, and those processed later, up through Oct. 29, 2021. UI benefits cannot be paid until the week is over and the claimant requests payment for that week. As of Nov. 3, 2021, people who had filed their claims more recently would

not have yet had much time to complete ID.me. OED later reviewed the claims to see who did complete the ID.me process after the time frame of our initial review.

Total number of claimants required to complete ID.me as of the study date*	10,656
Total number of claimants who completed ID.me	7,572 (71.06%)
Total number of claimants who completed ID.me by the study date*	5,261 (49.37%)
Total number of claimants who completed ID.me after the study date*	2,311 (21.69%)
*Nov. 3, 2021	

Aggregate Data as of Nov. 3, 2021

The data in the tables below is aggregated based on completion of ID.me by Nov. 3, 2021, and does not include claimants who completed ID.me after Nov. 3, 2021.

Gender:

	Completed	Incomplete	% Complete	% Incomplete
Female	2,478	2,299	51.87%	48.13%
Male	2,780	3,092	47.34%	52.66%
Not Supplied	3	4	42.86%	57.14%

Age:

	Completed	Incomplete	% Complete	% Incomplete
20 and under	102	256	28.49%	71.51%
21-25 years old	545	711	43.39%	56.61%
26-30 years old	717	801	47.23%	52.77%
31-35 years old	788	718	52.32%	47.68%
36-40 years old	710	623	53.26%	46.74%
41-45 years old	589	537	52.31%	47.69%
46-50 years old	525	459	53.35%	46.65%
51-55 years old	461	442	51.05%	48.95%
56-60 years old	400	433	48.02%	51.98%
61-65 years old	294	254	53.65%	46.35%
66-70 years old	82	98	45.56%	54.44%
71-75 years old	36	43	45.57%	54.43%
76 and older	12	20	37.50%	62.50%

Weekly Benefit Amount:

	Completed	Incomplete	% Complete	% Incomplete
$157 - $251	1,224	1,873	39.52%	60.48%
$252 - $351	662	876	43.04%	56.96%
$352 - $451	714	732	49.38%	50.62%
$452 - $551	652	532	55.07%	44.93%
$552 - $651	454	359	55.84%	44.16%
$652 +	1,555	1,023	60.32%	39.68%

Claim Filing Method:

	Completed	Incomplete	% Complete	% Incomplete
Internet Initial Claim	4,294	3,948	52.10%	47.90%
Telephone Initial Claim	768	1,240	38.25%	61.75%
Mainframe Direct Entry	199	207	49.01%	50.99%

Language:

	Completed	Incomplete	% Complete	% Incomplete
English	5,170	5,242	49.65%	50.35%
Spanish	70	133	34.48%	65.52%
Other*	25	16	60.98%	39.02%

*Includes languages where the sample size was too small to maintain anonymity, including Arabic, Cantonese, Korean, Lao, Mandarin, Russian, Somali, Ukrainian, Vietnamese, and "language not supplied".

Ethnicity:

	Completed	Incomplete	% Complete	% Incomplete
Hispanic/Latinx	722	889	44.82%	55.18%
Non-Hispanic/Latinx	4,354	4,270	50.49%	49.51%
Not Supplied	185	236	43.94%	56.06%

Race:

	Completed	Incomplete	% Complete	% Incomplete
African American	94	132	41.59%	58.41%
American Indian or Alaskan Native	60	73	45.11%	54.89%
Asian	93	81	53.45%	46.55%
Multi-Race	191	172	52.62%	47.38%
Native Hawaiian or Pacific Island	37	51	42.05%	57.95%
Not Supplied	1,759	2,246	43.92%	56.08%
Race Unknown	12	13	48.00%	52.00%
White	3,015	2,627	53.44%	46.56%

Claimant Outreach

While there were disparate impacts noted, OED could not determine causation. Without knowing why claimants did not complete ID.me, any processes or mitigations put in place would not necessarily minimize any disparate impacts or help overcome barriers people were facing. The Oregon Employment Department conducted a phone outreach campaign to interview claimants. The campaign included a phone call and subsequent return call to claimants with an attempt to learn why they did not complete the ID.me process.

OED selected a population of 468 potential claimants for the outreach campaign. The size of the population included enough claimants to account for those who could not be contacted or who declined to participate in the interview. The interviews encompassed 30 claimants in each of the following demographic groups:

- Claimants in the 20-and-under age category
- Claimants in specific Oregon counties that the study showed had more difficulties completing the process than other counties
- Claimants who self-identified as:
    - African American
    - American Indian or Alaskan Native
    - Asian
    - Spanish-language speaking

Response Rates:

Not everyone selected responded. There are likely many reasons for some people not responding, among those are that people using stolen identities likely did not respond to our follow-up inquiries. One hundred and thirty claimants were interviewed about their experience with ID.me; displayed by demographic group in the table below:

Demographic Group	Number of claimants	Percentage
Claimants 20 years old or younger	33	25%
African American	31	24%
American Indian or Alaskan Native	22	17%
Asian	18	14%
Spanish language speaking	26	20%

Response Categories:

Based on the 130 interviews, the claimant's responses were grouped into the following categories:

Response Category	Number of Claimants	Percentage
The process was difficult or confusing	20	15%
Technology barrier (either lack of equipment or lack of ability to use technology)	24	18%

Gave up on the process before seeking help from a "trusted referee*"	14	11%
Didn't attempt to complete the process or was unaware of the requirement	23	18%
The claimant returned to work	29	22%
No issues completing the process, but started after Nov. 3, 2021	12	9%
Declined to be interviewed	8	6%

*A Trusted Referee is a trained identity specialist employed by ID.me to help the claimant prove their identity.

Response Categories Based on Demographic Groups:

The following tables are different visual representations of the responses OED received.

Table 1 lists the percentage of specific demographic groups that provided the same response. Each column should be read separately. As an example, of the eight claimants contacted who declined to be interviewed, six claimants or 75% of the total number of claimants who declined to be interviewed were in the African American demographic group.

Table 1

Demographic Group	Difficult	Tech Barrier	Gave Up	Didn't Attempt Unaware	Back to Work	No Issues	Declined
20 Years Old and Younger	30.00%	29.17%	21.43%	20.69%	30.44%	33.33%	0.00%
African American	20.00%	8.32%	21.43%	31.04%	21.74%	16.67%	75.00%
American Indian or Alaskan Native	20.00%	4.17%	35.71%	20.69%	21.74%	8.33%	0.00%
Asian	15.00%	4.17%	21.43%	17.24%	13.04%	16.67%	12.50%
Spanish language speaking	15.00%	54.17%	0.00%	10.34%	13.04%	25.00%	12.50%
Totals	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Table 2 lists the percentage of specific response categories provided by the demographic group. Each row should be read separately. As an example, of the 31 African American claimants contacted, six claimants or 19.35% of African American claimants contacted declined to be interviewed.

Table 2

Demographic Group	Difficult	Tech Barrier	Gave Up	Didn't Attempt Unaware	Back to Work	No Issues	Declined	Totals
20 Years Old and Younger	18.18%	21.21%	9.09%	18.18%	21.21%	12.13%	0.00%	**100%**
African American	12.90%	6.45%	9.68%	29.04%	16.13%	6.45%	19.35%	**100%**
American Indian or Alaskan Native	18.18%	4.55%	22.73%	27.26%	22.73%	4.55%	0.00%	**100%**
Asian	16.66%	5.56%	16.67%	27.78%	16.66%	11.11%	5.56%	**100%**
Spanish Language Speaking	11.54%	50.00%	0.00%	11.54%	11.54%	11.54%	3.84%	**100%**

Mitigations

The Oregon Employment Department reviewed the results of the claimant outreach campaign and designed mitigations to provide additional support to claimants having difficulties or facing barriers to completing the ID.me process.

Phase One – Implemented before restarting sending all initial claims to ID.me.

- Updated phone scripts in English, Spanish, Russian, and Vietnamese languages to include information about the identity verification process and OED's work with ID.me.
- Conducted robo-calls to claimants in English and Spanish informing claimants of the ID.me process and how to get help. These calls were conducted and will continue to be conducted:
    - After their initial claim is processed, and
    - If the claimant has not completed ID.me within two weeks of filing their initial claim.
- Employment Department employees made (and will continue to make) in-person calls or robo-calls (depending on the number of people speaking each language) to claimants in other languages based on the claimant's reported preferred language.
- Market the services of ID.me's "trusted referees":
    - Updated the Oregon Employment Department's letters to highlight how to contact a "trusted referee" and,
    - Ensure team members assisting claimants know to direct claimants to "trusted referees".

Phase Two – Implemented after restarting sending all initial claims to ID.me.

- Collaborate with WorkSource Oregon partners on a process for in-person assistance for completing ID.me in WorkSource Oregon centers for claimants who experience difficulty completing ID.me.

- Pilot the use of special Oregon Employment Department cell phones at WorkSource Oregon centers to claimants to use to verify their identity with ID.me in the case where the individual does not have a cell phone with a camera.
- Put a process in place for in-person assistance in WorkSource Oregon centers for claimants who are having difficulty, or who have privacy concerns, to be able to verify their identity without using ID.me.
- Create an Oregon Employment Department webpage with specific information about how to use ID.me and create a "how to use ID.me" video and user guides specific to Oregon.
- Survey team members who are working directly with claimants on ID.me assistance to gather their input and observations on how to improve the process and to ensure the mitigations are adding value to claimants.
- Conduct public outreach on identity verification to share what OED are doing and why it is needed.

Conclusion

Identify theft and people trying to defraud the unemployment insurance system is a continuing problem. The Oregon Employment Department is fully committed to protecting the UI Trust Fund and working to ensure stolen identities are not being used by fraudsters to obtain UI benefits. This avoids payment delays for people who file for the benefits they need, and it also protects the money Oregon employers pay into the UI Trust Fund to provide those benefits to unemployed workers.

Additionally, equity and inclusion are core principles to the Oregon Employment Department. OED is aware of concerns about facial recognition software and how it may be harder for people of color to use, and the agency is deeply committed to ensuring the claimant identification verification process is simple for everyone. That is why last fall OED chose to pause using ID.me for a short time to perform an internal study of a month's worth of claims to determine if there were disparate impacts, and if so, for what segments of the population, and design mitigation strategies to support those who are experiencing difficulties.

Going forward, the Oregon Employment Department will continue to look for ways to improve our services, increase access to our services, and design supports for those with barriers. OED will also continue to work hard to prevent fraud attacks, identify them when they happen, and prosecute criminals who defraud the UI system to the fullest extent of the law.

Additional Resources

- The ID.me website has information detailing how ID.me keeps information secure along with other FAQs.
- ID.me's FAQs discuss what they do with the personal information they receive, and the controls individuals maintain over their information how long data is retained by ID.me, and requests for ID.me to delete biometric data.

- ID.me has provided details on how they [verify identity](#) using a 1:1 face match and the role many facial recognition plays in their internal processes.