



**Unemployment Insurance Integrity Center**

***Integrity Data Hub (IDH)***

**Participation Agreement**

Version: 3.0

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## 1. AGREEMENT

This Agreement is by and between the National Association of State Workforce Agencies' (NASWA) Center for Employment Security Education and Research, Inc. (CESER) and the Massachusetts Department of Unemployment Assistance, hereinafter referred to as "State".

## 2. INTRODUCTION

This document defines an Agreement between CESER and State for participation in the Integrity Data Hub (IDH). Participation includes State submitting suspicious actor data and unemployment insurance (UI) claims data, and State receiving associated lookup/matching/analysis results from the IDH and associated applications as defined in this agreement.

## 3. BACKGROUND

### About the UI Integrity Center

Overpayments, errors, and instances of fraud within the UI program have been long-standing concerns for Congress, the Federal Office of Management and Budget (OMB), the U.S. Department of Labor (USDOL), and state workforce agencies (SWAs). To address these concerns, the USDOL and SWAs have initiated strategies and initiatives designed to reduce the risk of overpayments and prevent fraud.

NASWA's subsidiary, CESER, is the lead organization responsible for operation of the UI Integrity Center (Center). The Center is charged with developing "innovative UI program integrity strategies to reduce improper payments, prevent and detect fraud, and recover any improper payments made" (UIPL 28-12).

### About the IDH

The purpose of the IDH is to provide State with a Center managed data hub where UI Claims data can be analyzed and cross matched with UI data from other states and various fraud detection sources designed to assist in the detection and prevention of fraudulent activity.

**4. ROLES AND RESPONSIBILITIES – CESER**

CESER shall be responsible for coordinating with State and managing the IDH. Specific responsibilities shall include:

- Project management, including preparation and maintenance of the IDH development and enhancement project plan/schedule;
- Scheduling/coordinating meetings, working sessions and reviews as needed;
- Documenting system functional and operational business requirements, including security requirements;
- Developing the system technical architecture/design;
- Developing and maintaining the IDH including all associated system documentation;
- Implementing and maintaining a secure, FedRAMP compliant IT infrastructure and ensuring all required updates and security systems are in place;
- Planning, coordinating, and assisting in system testing;
- Coordinating system implementation with State;
- Developing measures to evaluate performance/value;
- Preparing data sharing agreements as needed;
- Providing resources, as available, to State to support participation in the IDH project;
- Establishing agreements and NDA's with all authorized contractors; and
- Ensuring all transmissions are encrypted using the appropriate NIST standards.

**5. ROLES AND RESPONSIBILITIES - STATE**

State shall provide UI program and technical/IT personnel to assist with IDH implementation efforts. Specific responsibilities shall include:

- Providing suspicious actor data to populate the Suspicious Actor Repository (SAR) database (specific data elements to be provided are listed in Attachment 1)
- Providing initial and continued claims for matching and analysis (specific data elements to be provided are listed in Attachment 1);
- Receiving information from the IDH for analysis and appropriate action;
- Providing input on IDH usage and potential impact on work flows and business rules;
- Designating an IDH State Administrator to manage State user roles and entitlements;
- Participating in system testing, implementation, and evaluation.

**6. PERIOD OF PERFORMANCE**

This Agreement shall be valid for a five (5) year period beginning on date the agreement is executed and may be extended upon agreement of both parties. The Agreement may be terminated by either party, in accordance with the Termination of Agreement clause in this Agreement.

7. PROJECT CONTACTS

Table 1 defines the primary project leadership points of contact for the IDH.

Table 1: IDH Project Contacts

Name	Title	Telephone	Email
Jerome Lord	Program Analyst	(406)422-9379	jlord@naswa.org
James Cotter	Project Manager	(703)587-8353	jcotter@naswa.org
Randy Gillespie	Project Director	(317)748-8779	rgillespie@naswa.org

Table 2 defines the primary project leadership points of contact for State. This list should include State Business lead, State Technical lead, and others as deemed appropriate.

Table 2: State Project Contacts

Name	Title	Telephone	Email
Cari Birkhauser	Director of Systems Integration	617.626.6689	Cari.Birkhauser@MassMail.State.MA.US
Brian O’Connell	Director of Program Integrity	617.626.6814	Brian.O’Connell@MassMail.State.MA.US

8. TERMS AND CONDITIONS

**Voluntary Participation:** The parties have entered into this Agreement voluntarily and agree to participate in the operation and utilization of the IDH.

**Data Ownership:** All data provided by State shall remain the property of State.

**Termination of Agreement:** Either party may terminate this Agreement for any reason upon thirty (30) days written notice to the other party. In case of termination, parties will work collectively to determine disposition of collected data.

**Data Management**

Data Collection and Storage

The data elements submitted from State for analysis, cross matching, and population of the Suspicious Actor Repository, are identified on Attachment 1 – IDH Data Elements, attached to this document. Any modifications to Attachment 1 will be made only by mutual agreement of both parties.

Data submitted to the IDH by State shall be retained by CESER, for purposes of analysis, cross-matching, and additional (future) IDH development to assist in fraud detection and prevention.

Data Sharing

State acknowledges that information provided on suspicious actors (SAR data) and all UI claims data submitted to the IDH will be used by the IDH and its authorized contractors for analysis and cross matching against proprietary and publicly sourced data and data submitted from other participating states.

Data Security

State and CESER agree:

1. The information provided by and to the IDH shall be used solely for administration of state and federal unemployment compensation laws.
2. Access to or disclosure of IDH data shall be limited to authorized employees of State, CESER, or authorized persons who perform services for State or CESER, as required by 20 CFR 603.9.
3. CESER will store and protect confidential UC information as required by 20 CFR 603.9(b).
4. All data submitted to and retained by CESER will be done so using the security and encryption protocols discussed in this document and other CESER data security documents

Data Confidentiality

Each participating State is subject to Federal and state laws which, with few exceptions, restrict the disclosure of such information and data by State or any agent of such State. By signing this agreement, State agrees to abide by all applicable laws and regulations including the provisions of 20 CFR Part 603.

Provisions for a Data Breach

A data breach shall be defined as an incident in which sensitive, protected or confidential data has potentially been viewed, stolen or used by an individual unauthorized to do so. In the event of a data breach or unauthorized disclosure of IDH data residing on State system, State will notify CESER immediately using the following contact list.

<b>Priority Listing</b>	<b>Name</b>	<b>Title</b>	<b>Phone</b>	<b>Email</b>
Primary	Jerome Lord	Program Analyst	(406)422-9379	<a href="mailto:jlord@naswa.org">jlord@naswa.org</a>
Secondary	James Cotter	Project Manager	(703)587-8353	<a href="mailto:jcotter@naswa.org">jcotter@naswa.org</a>
Alternate 1	Randy Gillespie	Project Director	(317)748-8799	<a href="mailto:rgillespie@naswa.org">rgillespie@naswa.org</a>

State shall continue to notify CESER representatives until State receives confirmation that their message regarding a potential breach has been received by CESER. CESER will suspend State access to the IDH until both parties agree the data is reasonably secured from further data breaches or unauthorized disclosure.

In the event of a data breach or unauthorized disclosure at CESER, CESER will notify State, and will address the breach in accordance with the latest version of the *Center Data Breach Policy*.

**IDH Access/Use:**

- CESER IDH Administrator shall be designated by the CESER Project Director.
- State IDH Administrator shall be approved by State UI Director, or his/her designee.
- State users of the IDH shall be approved by State IDH Administrator.

- All IDH user access and permissions shall be verified, at a minimum, twice each year. Validation shall be performed by the state IDH Administrator through workflows within the IDH.
- All IDH users shall not allow the sharing of IDH user login and password information.

IDH is intended only to flag suspicious claims and/or potentially suspicious activity. As such, State shall not establish an improper payment on a claim based solely on IDH data. Independent verification of the data and appropriate investigation must be conducted by State in accordance with Unemployment Insurance Program Letter (UIPL) No.1-16 (Federal Requirements to Protect Individual rights in State Unemployment Compensation Overpayment Prevention and Recovery Procedures) and UIPL No. 1-16, Change 1.

**Security Testing:** The IDH and associated applications transmit and process sensitive UI claimant data, including Personally Identifiable Information (PII). To fully protect sensitive data, CESER has implemented a comprehensive information security approach including security policies, procedures and tools. This approach is documented in the IDH Data Transmission and Security Summary Document Version 1.0 dated 2/15/18. The approach includes elements such as: using asymmetric encryption, maintaining an organizational data breach policy, and the use of Authorized Contractors, and tools, to conduct security testing and auditing.

As a critical part of the comprehensive security approach, CESER has contracted with a specialized data security consulting firm to conduct penetration testing on the IDH. Penetration testing is an authorized simulated attack on a computer system, performed to evaluate and improve the security of the system. As part of some testing processes, security testers will be given temporary access to the IDH and, as such, will have visibility to sensitive state-owned information.

To ensure the integrity of the testing process, CESER shall:

- Fully vet any Authorized Contractor selected to conduct security testing;
- Execute a Non-Disclosure Agreement (NDA) that requires compliance with 20 CFR 603 and expressly prohibits the sharing of sensitive or confidential data, as well as security techniques employed by the IDH;
- Limit access of security testers to sensitive data to the minimum required to support testing; and
- Verify that temporary application access and visibility to the system provided to testers is revoked immediately upon conclusion of testing.

Penetration testing is a critical element of CESER's comprehensive security approach to identify and safeguard against any system vulnerabilities now, and in the future. Periodic ongoing security testing is planned in concert with ongoing internal security assessments.

**Application, Architecture, and Development Support:** The IDH has been developed using an open architecture and database application that can be expanded, as needed, to accommodate increased information collection, and processing, associated with the addition of participating states and providing expanded capabilities. To ensure the IDH architecture can adequately meet user's needs, CESER intends to use internal developers and specialized IT contractors to provide periodic application, development, and architecture support. Support elements may include, but not be limited to: application/database monitoring, technical architecture, database development and assessments, troubleshooting, and architecture/database optimization. As part of some support activities, support

personnel will be given temporary access to the IDH and, as such, will have visibility to sensitive state-owned information.

To ensure the integrity of application and architecture support activities, CESER shall:

- Fully vet any Authorized Contractor selected to provide application, development, and/or architecture support;
- Execute a Non-Disclosure Agreement (NDA) that requires compliance with 20 CFR 603 and expressly prohibits the sharing of sensitive or confidential data/practices;
- Limit access of support personnel to sensitive data to the minimum required to provide support; and
- Verify that temporary access and visibility to the system provided to support personnel is revoked upon conclusion of support activities.

**Disputes: SEE AMENDMENT #1** In the event of a dispute concerning the terms and conditions of this Agreement, or any order thereunder, which cannot be resolved by mutual agreement between the parties, either party to this Agreement may pursue any right or remedy it may have at law or in equity in any court of competent jurisdiction, or, if both parties agree, submit the dispute to the American Arbitration Association for arbitration.

**Independent Parties:** Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for one party whatsoever with respect to the indebtedness, liabilities, and obligations of the other party except as expressly provided herein.

**Public Information Releases:** State release of general public information concerning the activities conducted under this Agreement shall be coordinated with and approved by CESER.

**Entire Agreement:** This Agreement, composed of this document, all other documents incorporated by reference herein and any amendments executed in accordance with this paragraph, contains the entire understanding of the parties relating to the subject matter contained herein. No amendment or modification of any provision of this Agreement will be effective unless set forth in a document that purports to amend this Agreement and is executed by all parties.

**Severability:** If any terms or conditions of this Agreement are held to be invalid or unenforceable as a matter of law, the other terms and conditions shall not be affected, and shall remain in full force and effect.

**Non-Waiver:** The failure of the CESER to exercise any right or to require strict performance of any provision of this Agreement will not waive or diminish CESER's right thereafter to exercise such right or to require strict performance of any provision.

**Non-assignment:** State may not assign this Agreement, its obligations, or any interest hereunder, without the express prior written consent of CESER and NASWA. Any assignment made without consent shall be null and void, and may constitute grounds for immediate termination of this Agreement by CESER.

**Hold Harmless and Limitation on Liability: SEE AMENDMENT #1** To the fullest extent allowed by federal and/or state law, State shall indemnify, defend, save and hold harmless CESER and NASWA, their directors, officers, employees, agents and representatives, from any and against any and




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all claims, demands, liabilities, suites, actions, damages, losses, costs and expenses of every kind and nature whatsoever, including without limitation, claims for damages, court costs, investigative fees and expenses, attorney fees due to any claims arising out of or caused by State and/or its partners, principals, agents, employees or contractors in the performance of or failure to perform this Agreement. Notwithstanding any other provision of this Agreement, under no circumstances shall the liability of CESER or NASWA to State exceed the funding for the IDH project.

By signing below, the signatories agree to bind their respective agencies/entities to the terms and conditions of this Agreement.

**Massachusetts Department of Unemployment Assistance**

By: \_\_\_\_\_  
Signature:   
Name: Richard A. Jeffers  
Title: Director  
Date: 2/15/19

**Center for Employment Security Education and Research, Inc.**

By: \_\_\_\_\_  
Signature:   
Name: Scott B. Sanders  
Title: Executive Director  
Date: 2/27/19

**Attachment 1  
IDH Data Elements**

<b>Date Field</b>	<b>Comments</b>
State code	2-digit postal code of submitting state
Unique ID	State-created unique ID for each record submitted. Could be Client ID, random generated number or
Claimant address	If data in Claimant address, data for city, state, and
Claimant address city	City of Claimant address
Claimant address state	State of Claimant address
Claimant address zip	Left justify if less than 9 characters
Claimant phone number	Phone number provided by clamant
Direct Deposit Account Number	Direct deposit account number for payment to
Direct Deposit Routing Number	Routing number associated with above account
IP Address	IP address from where claim was filed
Claimant email	Email address provided by claimant
Claim Effective Date	Effective date of claim filed
First Name	Claimant first name
Last Name	Claimant last name
Middle I	Claimant middle initial
SSN	Claimant SSN
DOB	Claimant date of birth