

**341.414 Steps office shall take for all claims made after July 1, 2023, to ensure integrity of program, to verify eligibility, to prevent fraud and overpayment of claims -- Records -- Annual report to Legislative Research Commission.**

- (1) To ensure the integrity of the unemployment insurance program, to verify eligibility, to prevent fraudulent filing, and to prevent overpayment of claims, for all claims made after July 1, 2023, the office shall:
  - (a) Use state or commercially available databases to check new hire records against the state's unemployment insurance rolls on a weekly basis;
  - (b) Check state data, federal data, or a commercially available database on a weekly basis;
  - (c) Check new hire records against the National Directory of New Hires on a weekly basis;
  - (d) Check the unemployment insurance rolls against the Kentucky Department of Corrections list of incarcerated individuals on a weekly basis;
  - (e) Enter into a cooperative agreement with the United States Department of Labor's Office of Inspector General to proactively detect and investigate cases of unemployment fraud;
  - (f) Review the individual's case and make a final determination of his or her eligibility when the office receives information that an individual who is participating in the unemployment compensation insurance program has had a change in circumstances that may affect his or her eligibility;
  - (g) Provide employers with electronic notice of new unemployment claims, access to information about pending unemployment insurance claims, and status of appealed claims via the Kentucky One Stop Business Portal;
  - (h) Promulgate, adopt, and implement internal administrative regulations and policies to recover improper overpayments of unemployment benefits;
  - (i) Require at least two-factor authentication from every benefit applicant prior to payment of any benefit; and
  - (j) Maintain records of any and all applications for waiver of overpayment.
- (2) The office shall provide the Office of the Attorney General with all records it requests for the purposes of investigating and prosecuting fraudulent unemployment insurance activity.
- (3) The office shall complete an annual report for the Legislative Research Commission which details efforts to recover improper benefit payments, causes of improper unemployment benefit payments, measures implemented to avoid improper benefit payments, summarizes all cases where repayment was not attempted due to a statutory exception, and analyzes any cost savings to the Commonwealth. The office shall provide this report to the Legislative Research Commission annually, no later than October 1 of each year.

**Effective:** March 12, 2021

**History:** Created 2021 Ky. Acts ch. 16, sec. 3, effective March 12, 2021.