Request for Proposal (RFP)

For

Potential Data Sources Special Study Report

Issued By

National Association of State Workforce Agencies (NASWA)
Center for Employment Security Education and Research (CESER)

RFP Issue Date
January 24, 2025

Bidders Webinar/Teleconference
February 13, 2025

RFP Deadline
March 14, 2025, by 5:00 PM EST

1. Introduction

The National Association of State Workforce Agencies (NASWA) UI Integrity Center provides innovative tools, training, and support to states in their effort to reduce improper payments and combat fraud in the Unemployment Insurance (UI) program. NASWA assists states in identifying potential fraud quickly and efficiently from the large quantity of UI data warehoused in the Integrity Data Hub (IDH). NASWA is interested in continuing to expand the capabilities of the IDH to support states by accessing and utilizing additional data for integrity cross-matching purposes.

NASWA seeks a qualified subcontractor consulting service (sub-contractor) to support the IDH's goal of identifying and integrating additional data sources. The sub-contractor will research and recommend various data sources that may be integrated into the IDH construct while considering the associated policies regarding access, privacy, and data sharing. The sub-contractor will propose key data sources with associated costs and recommendations related to integration considering IDH system architecture and state practices.

There are numerous national and state-level data sources, state and federal government agency data integrations, as well as third-party data and various Open Source Intelligence (OSINT) data sources that could serve as powerful tools to assist in the identification of fraud and support the prevention of improper payments. The process of accessing these data sets is challenging and potentially cost-prohibitive, and integration comes with obstacles that require a dedicated and consistent effort.

2. Background

NASWA is a national organization representing all 50 state workforce agencies, D.C., and U.S. territories. These agencies deliver training, employment, career, and business services, in addition to administering unemployment insurance, veteran reemployment, and labor market information programs. NASWA provides policy expertise, shares promising state practices, and promotes state innovation and leadership in workforce development.

The Center for Employment Security Education and Research (CESER), a 501(c)(3) entity, was incorporated in August 1994 as an arm of NASWA. In supporting NASWA and its partners, CESER serves as an incubator for research, analysis, training, and technology. It is the leading education, research, and information technology center focused on workforce development and unemployment insurance issues. The UI Integrity Center is housed within CESER.

About the Center

The UI Integrity Center (Center) is a component of NASWA which provides services to assist states. One of the projects managed by the Center is the IDH. The IDH allows participating states to voluntarily submit unemployment claims data for cross-matching and analysis to support the detection and prevention of UI fraud and improper payments. 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" [UI Program Letter (UIPL) 28-12].

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 multiple strategies and initiatives designed to reduce the risk of overpayments and prevent fraud.

About the IDH project

The IDH is a unique, secure, multistate data system with advanced data cross-matching and analysis capability that detects and prevents UI fraud and improper payments. Designed to be easily accessible by states, the IDH supports states with varying levels of resources and technology. Participating states provide UI claims data and receive prioritized results for review and investigation.

Cross-Matching
UI claims data is crossmatched against multiple data sources such as the Suspicious Actor Repository and the Multistate Claims Database to identify fraudulent claims. Other available data matching services include the identification of claims filed outside the U.S. and those with suspicious bank accounts, emails or email patterns, Identity Verification Service, and Bank Account Verification Service, which authenticates claimant identities and bank account information. Detailed descriptions of IDH services and data sources are included in the Appendix.

Additional IDH functions include:

Fraud Alerting
A secure, robust fraud alerting system allows states to quickly share and collaborate on emergent fraud activity across the country. Information shared can include anecdotal information as well as specific data elements.

Data Analysis
Potentially fraudulent activity is identified by the analysis of data and trends in UI claims data. States can also receive targeted fraud analytics information, reports, and visualizations as they fully leverage IDH services.

3. Estimated RFP and Contracting Timeline

EVENT	Estimated Dates
Issue RFP	January 24, 2025
Bidders Conference	February 13, 2025
RFP Due Date and Time	March 14, 2025, 5:00 PM EST
Notice of Contract Award	April 7, 2025
Kick-off Meeting	April 14, 2025
Contract Period (4 months)	April – July, 2025

4. Materials

The vendor(s) must possess the necessary technical expertise, staffing, equipment, office materials, and other tools needed to develop the special study.

5. Place of Performance

Work for this task will be done virtually. All meetings and activities will be managed through ZOOM/TEAMS meeting, conference calls, and webinars.

6. Price

The Center anticipates allocating a maximum of $250,000 for this study. Vendors are encouraged to submit their best estimate to accomplish the work.

7. Statement of Work (SOW)

The contractor shall prepare a comprehensive report providing recommendations and information to inform the expansion and appropriate use of existing data sources for the IDH. The report shall be organized into sections as follows:

Data Sources

The Center is interested in determining the availability and potential usage of significant data sets to enhance the ability of the IDH to detect potential fraud, and overpayments to verify eligibility for UI. Data determined to be available for the IDH may not be available for workforce agencies to independently verify eligibility for UI due to a variety of reasons including state based prohibition, or matching agreements in place to take advantage of it.

Finally, data may exist and can be matched, but there may be problems with the data itself, such as poor quality or time lag.

States currently perform state level cross-matching of UI claims against various data sources. These data sources include incarceration records, death records, wage records, and hiring/employment records. Due to privacy considerations and data sharing restrictions, each individual state typically performs cross-matching against data collected from intra-state resources such as the state office of vital records. Some states may perform cross-matching against public and private national data sources e.g., The National Directory of New Hires (NDNH), or Prisoner Update Processing System (PUPS) incarceration records. IDH is designed to benefit states by providing access to cross-matching against national (vs. state-specific/local) data sources.

The IDH currently stores PII, and the contractor should be familiar with potential issues with state policies and legislation in collecting and storing PII in a centralized database as well as Federal legislation, guidelines, and policies concerning the use of PII. This knowledge should be compiled and utilized to provide recommendations on ensuring Center policies and procedures are adequate to protect PII shared by the states and used by the IDH for cross-matching with data sources.

Contractor Requirements

- Contractor shall review information on state cross-matching efforts and other documents and information provided by the Center. The Center will provide the selected vendor with a list of policies and legislation that affect the eligibility of an unemployment insurance claimant.

- Contractor shall prepare an interim summary report that identifies national data sources that will potentially provide value to state cross-matching efforts.

- Contractor shall consider in the review of suggested data sets potential restrictions on the use and sharing of data including federal, state and local laws, statutes, regulations, and policies the restrict access to and utilization of Personally Identifying Information (PII) useful in cross-matching and fraud detection. This includes the collection of data that potentially creates a "federal system of records." See https://www.gsa.gov/reference/gsa-privacy-program/rules-and-policies-protecting-pii-privacy-act for additional information.

- Data sources shall be organized (prioritized) based on factors including:
    - Value/Return on Investment (ROI)
    - Policy restrictions with data access/utilization
    - Ease of implementation
    - Cost to deploy nationally (incremental pricing)
    - Process to apply/receive approval for access
    - Data exchange format and latency

Potential Federal Agency Data

The Center has recently partnered with the Department of Treasury's Bureau of Fiscal Services (BFS) to allow utilization of their deceased data API integration within the Do Not Pay (DNP) data source. The Center is actively working to utilize additional DNP data sources such as incarceration data, etc. as they become available.

We believe that other Federal agencies have implemented similar data-sharing projects or initiatives and that these related programs may provide insight into the successful development of additional data sources for the IDH.

- Contractor shall gather information on Federal agencies related data-sharing programs. Information shall include:
    - Project summary
    - Points of contact
    - Current status
    - Development, implementation, and recurring support costs
    - Results/Performance
    - Applicable Technology/Innovation
    - Opportunities for collaboration

Available Technology Tools

Technology resources are becoming more readily available to assist both public and private entities to identify and prevent fraud. Software applications are now being used to analyze things like an applicant's social media, IP addresses, email addresses, etc., to determine if an application was likely fraudulent.

The contractor will generate a report with the following:

- A list of data sources being used in the private or public sector to identify fraud which could economically be used by the IDH to help discover potential UI fraud. The report must include volume pricing options and potential ROI.

- Other available options the Center could pursue to more effectively discover potential fraud.

8. Eligible Entities

To be considered, interested firms must be able to document their approach and experience in preparing similar special studies.

9. Delivery Schedule

Task	Deliverable	Format	Days After Project Award
1a	Project kick-off meeting	Conf. Call	14 days
1b	Project plan to include plans and timelines for data gathering, analysis, preparation, review, and delivery of the final study	MS Project (or similar)	21 days
2a	Project update	Conf. Call	Bi-weekly
2b	Status report	Written	Monthly
3	Final study report	Written	120 days

10. Invoicing Schedule

Contractor shall invoice for payment based on the following milestone payment schedule.

- Kick-off meeting   10%
- Acceptance of project plan   15%
- Interim data sources report - 30 days   15%
- Final study report   60%

11. Proposal Requirements and Organization

All RFP responses should be prepared in MS Word or PDF format using 12-point Times New Roman font and 1" margins. Responders may include links to, or copies of, similar reports. Responses should be organized as follows:

Section	Title	Content
1	Cover Sheet	1 page maximum.
2	Executive Summary	Summarize RFP response (3 pages maximum).
3	Technical Proposal	Describe the proposed approach for gathering information, performing analysis and preparing the study report (5 pages maximum).
4	Staffing Plan	Provide information on proposed staffing including proposed labor categories and associated experience/qualifications. Include resumes as appropriate (3 pages maximum).
5	Previous Experience	Provide up to 3 project references. Contractor format, but must include project summary, budget, customer POC, and contact information (6 pages maximum – 2 pages per reference).

6	Cost Proposal (separate from Technical Proposal)	The response should include itemized pricing for the following elements: • Labor • Materials/Equipment • Other
7	Additional Information	Other information as appropriate (3 pages maximum).

12.   Proposal Submission

All RFP responses shall be submitted via email to afrederick@naswa.org by 5:00 PM EST on March 14th, 2025.

13.   Additional Information or Clarification

NASWA will hold a bidders' webinar and teleconference question and answer session on February 13th, 2025. Information will be forwarded to all bidders who request to attend. This will be the only opportunity for interested vendors to ask questions for clarification on the RFP. NASWA will answer all questions to the best of its ability during this webinar/teleconference. Questions submitted in advance via email will be answered during the conference call. Additional questions not submitted in advance may be posed during the conference call.

A written summary of questions asked, and responses provided will be posted as an addendum to the RFP on NASWA's website. Please note that no questions received after the close of the webinar/conference call will be addressed.

Bidders' conference attendance requests and questions may be submitted, in advance, electronically to:

Andrea Frederick, Integration Engineer
UI Integrity Center/CESER
afrederick@naswa.org

Proposal Evaluation

The following criteria will be used to evaluate and score vendor proposals:

Section Number	Section Title	Max Points Allowed	Review Criteria
1	Cover Sheet	Required	To include entity name, point of contact, type of entity (ex. Corporation, minority-owned), federal tax ID, signature of authorized representative and date.
2	Executive Summary	10	Provides an overview of the proposal in clear, concise language.
3	Technical Approach	30	Demonstrated understanding of the project goals.

			Description of proposed solution(s), in clear concise language. The proposed solution demonstrates the ability to meet all requirements and deliverables.
4	Staffing Plan	10	Demonstrated knowledge, skills, and experience of staff proposed to accomplish the work, including the time available of designated key staff to commit to the project.
5	Previous Project Experience	30	Familiarity/experience with UI policies and processes. Organizational size is sufficient to support projects of this size and scope. Experience conducting similar special studies. References that describe the previous project work. Consideration will be given to the vendor's reputation in terms of quality, problem resolution, business control, timeliness, business relations, and customer service.
6	Cost Proposal	20	Complete and concise budget and budget narrative documents. Itemized cost description.
7	Additional Information	N/A	Optional information at vendor's discretion.

The award will be made to the vendor determined by the Center to provide the "best value."

Appendix - IDH Services and Data Sources

Suspicious Actor Repository (SAR) - Allows states to match UI claims against other states' known suspicious claims data. This tool allows each state to benefit from the investigative work of all states as claims data associated with known or probable UI fraud is submitted and stored in the SAR for cross-matching purposes.

Multi State Cross-Match (MSCM) – Allows the IDH to collect and store claims data submitted by states creating a multi-state database of UI claims data. Using this database, the IDH can identify where UI claims data are being used across multiple states (i.e., flagging a Social Security Number that is being used across four different states). The MSCM also provides a lookback capability to identify after the-fact matches based on new claims or fraud activity data submitted to the IDH.

Foreign IP Addresses - Allows participating states to receive flags on UI claims filed from IP addresses outside of the U.S.

Suspicious Bank Routing Numbers – Allows participating states to receive flags on UI claims filed where the direct deposit routing number is found in the list of suspicious bank routing numbers maintained within the IDH.

Suspicious Email Domains - Allows participating states to cross-match their claims against a database of suspicious e-mail domains that have been associated with fraudulent activity (e.g., @yopmail.com). The IDH flags claims with these domains for further investigation by the submitting state.

Identity Verification (IDV) – Provides states with a centralized identity verification solution. The IDV solution provides fraud scoring information, including flagging of synthetic identities.

Bank Account Verification (BAV) – Provides states with a centralized bank account status and owner validation and verification solution.