

## KMBC 9 Questions

First, we would like to say thank you to KMBC for asking us to participate in this series of stories on the Kansas Department of Labor. We know answering questions in this way, not on camera, is not ideal for the station after our announcement about broadcast interviews on Friday, 01/29/21.

Second, we are approaching answering these questions, thematically from the point of view of KMBC doing the series to find out, "How did it (the issue with unemployment benefits in the state of Kansas) ever get to this point?" We hope we can provide answers from KDOL that are transparent, and at least shed light on these many issues from the agency itself.

### **Amanda Lea told KMBC 9 Investigates this: "Why are there still so many people suffering, and not getting paid?" How would you answer that question?**

- In regards to Ms. Lea we are prohibited by law from discussing her claim publicly.
- Since March 15, KDOL has paid out over 3.8 million weekly claims totaling over \$2.6 billion between regular unemployment and the federal pandemic programs. We have also been successful in eliminating the backlog of 25,000 regular unemployment claims and are paying out new claims within an average of six business days.
- The other large backlog was with the federal PUA (Pandemic Unemployment Assistance) program. The PUA program is an entirely new employment system and, as a result, required a complete buildout from start to finish. We finalized a major program enhancement in late-November that has allowed us to bring the backlog down significantly. Out of the estimated backlog of 15,000, there are currently close to 14,000 people who are working their way through the PUA adjudication process. Once that is completed, they are being paid out for their claimed weeks. We are also actively reaching out to and assisting people who have started but not yet completed the adjudication process.
- We know Kansans are struggling. We are related to, live next to, are friends with, go to church with... folks everyday who are suffering. This is why so many of us at KDOL are working around the clock to stabilize this old IT system and ensure we can continue to pay out Kansans their state and federal benefits as quickly as possible.
- It is no secret that we are dealing with an antiquated IT system that dates back to the 1970s. Second, as is happening nationwide, concurrent to our technology issues, we are fighting an unprecedented and sustained attack from bad actors who are attempting to file fraudulent unemployment claims. While we have made significant strides in stabilizing the KDOL legacy systems and pay claimants, it cannot be overstated how significant of a challenge fraudsters have made paying legitimate claims.
- We believe that the LexisNexis, multifactor authentication solution that we are deploying this week will greatly reduce, or outright stop, individuals and businesses from receiving fraudulent benefit notices from KDOL. We also believe the solution will help legitimate claimants verify their identities quicker so that we can get them paid quicker.
- Nearly all eligible claims have been paid. If a claimant still has not received a payment there is a reason for that and their claim needs additional scrutiny or information. That's not a negative statement, it is just what processing must occur for payment. We continue to work with claimants to ensure that all eligible benefits get paid in a timely manner.
- If a claimant is owed money from the agency and their claim is found to be valid, they will be paid those funds.

**How often do department leaders read the comments people post on social media? Why don't you respond to them?**

- The agency monitors social media. However, we cannot answer questions about a person's claims in a public form such as Facebook. They may have a claimant-to-claimant discussion or may post something outright on the site, but we cannot answer a person's question in that forum about her or his specific case.
- We have done many, many interviews about this with media, and we cannot stress the point above enough. We are stressing it here again. We cannot interact with individual claimants in the comments sections of a posting.
- Every time the agency puts out a news release, we also issue it on Facebook and Twitter, and when relevant to the audience, we engage on LinkedIn.

**Why not activate a "crisis communication" stance (are you in one?) – doing press conferences weekly or live updates on Facebook? Why not show people inside the call center where workers are taking calls? Why communicate, now, only by press release and written statements?**

- In regards to the call center, Personal Individual Information (PII) is up on each CSR's screen that cannot be disclosed to non-KDOL parties. There are also security and safety concerns at our location that we must take into consideration.
- We talk to media every day. As example, last week, the agency either participated in, or answered questions for over 40 media requests ranging subjects from our fraud mitigation efforts, to legislative affairs, to contact center/phone issues, the UI and PUA backlog, and other issues. This is not uncommon for this agency during the pandemic. We believe it is vitally important to openly engage with KMBC and other media outlets. While we have said publicly that we are no longer doing broadcast media interviews, which of course affects this station's particular interview series, we are appreciative you have come to us to give us the platform to engage and answer questions for your viewers.
- Subjects we discuss daily with media range across the KDOL spectrum from contact center phone issues, fraud mitigation, the Continued Assistance Act, and often cyber security spoofs and phishing attempts. These interviews range from media in Western Kansas, Wichita, Kansas City, Topeka, Pittsburg to Emporia. We post regularly on Facebook and Twitter. We are very open to conversation, and have been transparent with reporters about what is going on at the agency on an ongoing basis with the information we are able to share.
- The last question above is misleading and wholly incorrect. We never said we would communicate only by press release or written statement. We have received death threats and threats of acts of violence against our employees, and we believe that limiting public appearances on television is a sound safety measure, at this time.
- What we said in an email we sent to every news outlet was, word for word to reporters and news directors across the state:
  - ***We will continue to answer your questions for your stories via email or phone call. This is not a statement of disengagement with broadcast media. However, we take these threats very seriously, and our first concern must be for the safety and welfare of our employees.***

**Rep. Chris Croft, who sits on the House Labor Committee, told us he's seeing major issues with communication from KDOL. "That's the problem here is it's just a lack of**

**feedback, it feels like it's going into, if you will a black hole, and then it just goes nowhere.” How would you respond?**

Rep. Croft is expressing his opinion. He has reached out to KDOL seven times since November and we have been able to respond to his questions via phone call or email. Additionally, he has forwarded a handful of constituent matters to the agency since the start of the pandemic. We have either already addressed those constituent matters or are in the process.

Since July, the agency has testified before 20 separate legislative committees.

**KMBC 9 Investigates has at least 750 people -- as of today -- who filled out a survey with complaints about KDOL. What does that tell you about the work your agency still has to do to better communicate with people -- that people are willing to share their stories with news outlets to try and get help?**

- As of the week ending 01/23/21, KDOL paid 107,918 continued claims. To put that in perspective, this is almost the equivalent of sending checks out to every man, woman and child in the city of Topeka – each week.
- We take every complaint seriously and continually look for ways to improve and provide better a better customer service experience. Since March 15, KDOL has paid out over 3.8 million weekly claims totaling over \$2.6 billion between regular unemployment and the federal pandemic programs. We have also been successful in eliminating the backlog of 25,000 regular unemployment claims and are paying out new claims within an average of six business days.

**The people we’ve forwarded you have generally received help. Is that the way all Kansans should get help? By contacting TV stations, newspapers, or radio stations, to have us forward their concerns?**

- We believe the question is being presented as an “either or question,” and being sensationalized in a way to suggest we are not answering our phone lines, or responding to claimants. At the start of the pandemic KDOL had 20 people answering the phone lines. Today, we have over 450 people answering phones or directly assisting claimants.
- However, even with the increased number of staff helping claimants we continue to receive a record number of calls. Last Monday, we received 250,000 call attempts into our call centers. In order to handle this type of call volume we would need to add an additional 1,100 phone operators. Unfortunately, this is not realistic due to budget and technology constraints.
- We do continue to add additional staff and look for ways to assist more Kansans. We believe that once we launch the LexisNexis identity verification tool this will help us significantly reduce the number of fraud-related issues that will allow us to spend more time addressing legitimate claimant questions.
- However, it is important to know, any claimant that calls a reporter or her or his representative is not escalated above a person who is calling into our contact center. We do not prioritize those claimants above others who take the time to call in. We get back to every claimant in the order the claimant has come into the system.
- However, the claimant that does call KMBC, your station does circle back with to see if her or his case has been followed up on, as you should in your job. There is no way for KMBC to call back the thousands of other claimants, each day, that are served by calling

- in our contact center and getting their case handled by customer service representative by waiting on the phone line, or had initially reached out to her or his elected official.
- The questions we think you really want answered are about getting through to our contact center. Here are some facts KMBC should share with viewers at this time:
    - KDOL has seen an increase in high numbers of calls to the contact center that can be traced back to automatic dialing services. Auto dialers do not work with the phone system. A claimant must call in each time and go through the menu prompts. An auto dialer will not get a claimant through the menu and into the queue. In fact, using one jams up available lines into our phone system, making it more difficult for anyone to get through to a customer service representative.
      - Through our systems and our tools, we are able to recognize call patterns. We can tell by the time between calls. When humans make calls there are some variations, there are not with auto dialers. Someone using the auto dialer will call every 19 seconds (for example), like clockwork. The dialers cannot sequence properly to our menus. Thus, they are just blocking the system for other callers trying to get through.
    - We have drastically improved customer service within the contact centers since the pandemic began. We have added hundreds of new operators and streamlined operations. Now, once a caller enters an initial call queue she/he are able to speak to a customer service representative within 15 minutes.
    - Important points to share and other statistics:
      - With the current call volume, we would need to hire another 1,100 customer service representatives. KDOL simply does not have the financial funding, our technological ability, to do so. At this time, we have over 450 CSRs handling calls and helping people process their claims, or investigate fraud.
      - The busiest times for the KDOL call center are first thing in the morning (8:00-9:00 a.m.) or around lunchtime (1:00-2:00 p.m.). If possible, claimants are discouraged from calling during these times.
      - Mondays are the highest call volume day. On average, Friday is the lowest call volume day.
      - 13% of claimants who reach a call queue call hang up before they talk to a CSR, and another 25% of claimants hang up when being transferred to escalation CSRs. They then call back again, and this affects the call volume.
      - Repeat callers can also affect the system adversely:
        - Once a claimant has been placed into the queue, please stay on the line. Do not hang up and call back. These actions will not help a claimant get through to an agent quicker.
      - Daily averages: We have often have days where there are 200,000 + to 250,000 call attempts and over 15,000 unique callers.
      - These statistics reflect our spike in calls. The average number of call attempts under these metrics is almost 30 call attempts by each unique caller. If large scale auto dialers are removed from this average, then the average call attempt drops to between the range of 7-12 call attempts.
      - If call queues are full, and she/he is not able to connect to the system, the person's call is terminated and she/he is asked to call back at a later time. While frustrating, this is a better solution for claimants so they are not stuck on endless hold loops.
  - To give a different example, not one day of calls into our contact center, since the global pandemic began, is less than the highest days of calls during the great recession a decade ago.

**The state announced two-factor authentication and identity verification for the legacy computer system. Why do you think this will work? Why has it taken this long?**

- As previously stated, KDOL has antiquated legacy unemployment systems. While other states have also struggled with their legacy systems, Kansas has one of the oldest. As a result, we can't just go to Best Buy and use something off the shelf. The age of our system has prevented us from deploying these tools up until this point, but we think we have been able to work around these challenges to implement this new tool.
- The recently passed Continued Assistance Act (CAA) contains new identity verification requirements for claimants. Thankfully, Kansas had been working to implement our new verification systems prior to the passage of the CAA. As a result, we were able to ensure that the new KDOL system will satisfy all of these new federal requirements and will not require additional downtime for the system.
- Due to the national nature of the fraud problems, we are in constant communication with our peer states to ensure that we are implementing the best possible fraud mitigation tools. We will continue to work with these other states to bring the best possible solutions online to protect Kansans.

**There's a line at bottom of press release: "Since March 15, 2020 KDOL has paid out over 3.9 million weekly claims totaling over \$2.6 billion between regular unemployment and the federal pandemic programs. How many of those claims and how much of that money went to scammers? Why can't you tell us how much you've paid in fraudulent claims? Is it because you don't know?"**

- We are also working with the legislature's auditing arm, Legislative Post Audit, to determine the amount of fraud that we have seen within the Kansas unemployment system. We must allow that process to play out.
- There has been a lot of misinformation regarding unemployment throughout the pandemic. We want to make sure that when we do publish a number that it is valid. We expect to have more on this subject in the coming weeks.
- Fraud is a nationwide problem that is facing every state. The U.S. Department of Labor's Office of Inspector General has estimated this fraudulent activity will cost U.S. taxpayers somewhere between \$8 and \$26 billion from these 2020 CARES Act federal programs. Private estimates have put these numbers significantly higher. In other words, the federal government along with every other state is trying to grapple with this fraud issue.

**The head of the House Commerce Committee Sean Tarwater told us the following yesterday regarding KDOL's lack of communication regarding how much fraud has paid out. "Well, I think they're probably embarrassed about it. I mean, our professionals that we work with have put an estimate of anywhere between \$350 and \$600 million has been paid out of the trust fund. And if that's the case, I would I would venture a guess that they just don't want to talk about it. If they don't know, then we're in real trouble." How would you respond?**

- Rep. Tarwater is expressing his opinion. We do not agree with the \$350-600 million estimate. He has also said that Kansas is "the number one state for unemployment fraud." There is no evidence to support this claim.
- The legislature has asked their auditors, Legislative Post Audit, to look into the amount of fraud that has been paid. KDOL is committed to working with Legislative Post Audit to

determine this figure. We must let this process proceed if we hope to get an accurate answer to this serious question.

### **When you're explaining the current computer system to your kids, or someone who doesn't know what it's like working with it, how do you explain it?**

- KDOL's unemployment legacy system was deployed in the 1970s. An effort to modernize the system was launched under the Sebelius Administration and was subsequently stopped under the Brownback Administration in 2011. As a result of this decision, much of the initial work to modernize was lost and has compounded our problems today.
- There is no good analogy for the antiquated KDOL IT system beyond...it is roughly the equivalent of trying to outfit a crop duster with a jet engine while flying through a tornado.
- On a serious note, modernizing the KDOL IT system is going to take time. There is not an "off the shelf" option for unemployment systems. However, we have completed our modernization plan and expect to put this out to bid later this year. We could start our modernization work as soon as late 2021.
- If you do not invest in infrastructure, whether that be a road or technology, it will not be there when you need it most. Technology is no different from investing in the roads you drive on every day. If you don't repair them or replace them, then eventually they become unusable.

### **Who's to blame for the lack of upgrades to the legacy system?**

- KDOL is focused on finding solutions to the challenges facing the unemployment system in Kansas. We have made significant strides in stabilizing the current system and are preparing to embark on the modernization process after 40 years.
- Working with the Governor and Legislature, we hope to receive the funding for a new UI system and put the bid out to potential vendors in the spring of this year. Once a vendor is selected, we will begin the installation and deployment of the new system as quickly as possible.
- Historically speaking, KDOL's unemployment legacy system was deployed in the 1970s. An effort to modernize the system was launched under the Sebelius Administration and was subsequently stopped under the Brownback Administration in 2011. As a result of this decision, much of the initial work to modernize was lost and has compounded our problems today.

### **Is there a better solution – in the short term to get people their payments quicker?**

**Lisa Shoemaker, a KDOL claimant said "I would just like to get some answers as to what actually are they doing? I mean, a whole new system could have been built in a month." True?**

- Unfortunately, that is incorrect. We anticipate the project will take between 2-3 years to implement. We have been clear and transparent on this subject since Ryan Wright became acting Secretary.
- The initial goal was to stabilize the UI IT system and get claimants paid. We have largely stabilized the system and are working with the Governor and Legislature to secure funding for modernization. We hope to put the bid out to potential vendors in the spring of this year. Once a vendor is selected, we will begin the installation and deployment of the new system as quickly as possible.
- KDOL suggested to KMBC that the station find vendors of large IT system deployments to ask questions regarding the scope and timelines of an undertaking such as the one with the

Kansas Department of Labor's unemployment insurance IT system. Such a provider could provide a third party point of view on the scope of this technology infrastructure build out for viewers.

**Ryan Wright said recently, "If you're still not getting paid, there's something complicated about your case." How do you un-complicate each of those claim for Kansans so that people believe you're actually working on their case specifically, without having to spend hours on the phone trying to call?"**

- As stated before, every case is unique, like a fingerprint. Further, not every case can be "un-complicated". Each case must be validated, and often adjudicated and verified. Here are some stats: On average, we are handling approximately 500 PUA issues a day with our adjudicators. Most claimants have multiple issues. Each PUA claimant typically has between 1-18 issues with the average being around 4.3. These must be individually worked through with the claimant. We have a team of adjudicators who are proactively reaching out to claimants to work through these issues.
- The PUA program is an entirely new employment system and, as a result, required a complete buildout from start to finish. We finalized a major program enhancement in late-November that has allowed us to bring the backlog down significantly. Out of the estimated backlog of 15,000, there are currently close to 14,000 people who are working their way through the PUA adjudication process. Once that is completed, they are being paid out for their claimed weeks. We are also actively reaching out to and assisting people who have started but not yet completed the adjudication process.
- The sheer number of claimants is immense, and it simply takes time to work through the number of people, adjudicate their cases, get them paid working with the antiquated technology system that is in place today. We know Kansans are hurting and frustrated, and as we have promised many times in interviews in the past, if a claimant is owed a dollar from the Kansas Department of Labor, we will get that dollar to the person as soon as we are able.

**How many of KDOL's 450 call takers are actively working day in/day out?**

- At the start of the pandemic, the agency had a fulltime staff of around 380. Today, we have a total staff of well over 900. Of this, 450 staff answer phones or directly assist claimants every day.

**Can you prove it?**

- On 01/27/21 KMBC's Matt Flener submitted a Kansas Open Records Act request for information. KMBC must wait for the results of that request. However, all of KDOL's contracts with Accenture are public.

**How will taking your leaders "off-camera" stop threats? Pictures/video are already in the public domain...Are you concerned this stance will make KDOL look less transparent?**

- Since Ryan Wright became acting Secretary at the end of June, he has done dozens and dozens of interviews with local, state and national media outlets. Additionally, KDOL has testified over 20 different times before legislative committees on the status of our programs and the scope of the challenges that we are working through. To say we are not being "transparent" is simply not accurate.

- The decision to stop doing on-camera interviews for the time being is not a decision to stop engaging with the media. In fact, we continue to field and respond to dozens of media questions and requests every day.
- We take the safety and security of our employees and their families seriously. Television reporters have an obligation to be accurate in their reporting and should refrain from sensationalizing stories. Failure to do so only increases the security threat facing the agency and makes our ability to communicate with the public more difficult.

**In addition to any threats, did you stop television interviews with Ryan Wright and Brett because you also knew a new secretary was coming on board?**

No.

**How long do you expect a ban on television interviews to last – especially with a new department leader coming on board?**

- The word “ban” assumes that we are acting somehow in a less than open and transparent manner. We are not instituting a ban and will continue to answer media questions from KMBC and all other media outlets.
- We stated this in our note to reporters and news directors also:
  - ***Feel free to reach out to me (Jerry Grasso, KDOL Communications Director) if you have any questions. Please continue to engage with the agency on your stories, and we will respond in as timely and efficient manner as possible. At this time, we do not have an end date for this policy change.***
- As long as we are concerned for the security of our employees, we will continue to consider all options to ensure their safety. This includes this policy impacting broadcast media, among other actions the agency may take.
- Additionally, KDOL will continue to testify before legislative committees on the status of our programs and the scope of the challenges that we are working through. All open session testimony is available to the public.

**Help us, help you. How can we do that?**

- Thank you for allowing us to answer your questions. We will continue to do everything in our power to get people paid as quickly as possible. While there are challenges facing the agency, we have made significant progress in stabilizing our systems and paying claims – including the elimination of the regular unemployment backlog.
- Finally, we will continue to move aggressively on modernization so that Kansans will have a functioning safety net should there be future economic downturns. And, we encourage your viewers to let their legislators know how important it is to fund Governor Kelly’s \$37.5 million request for a new unemployment IT system.