

# UPDATE

## CLIENT INFORMATIONAL SERVICES

UCAC, INC. CORPORATE HEADQUARTERS AT WEST PALM BEACH FLORIDA  
REDUCING UC COSTS BY AUDITING BENEFIT CHARGES AND PAYMENT OF CLAIMS

### SUCCESS STORIES!

#### UCAC's Analysis of Tax Rate Notices Provides Clients Significant Savings

Each year UCAC, Inc.'s Research Department evaluates the employer tax rate notices to verify the calculations are correct and to determine if a voluntary contribution in states where allowed, will put the employer in a lower tax bracket, saving them thousands of dollars.

One **Texas** employer made a \$4.00 voluntary contribution, reducing its tax rate by 0.1% with estimated savings in future tax payments of over \$1,000. Another **Texas** employer paid \$45.00 to reduce its tax rate by 0.1% to save over \$2,000 in future payments. A **New York** employer was able to make two small voluntary contributions, resulting in substantial savings. By contributing \$456.99, the tax rate was reduced by 5.1% for an estimated savings in future tax payments of over \$12,000!

Whether a voluntary contribution was recommended for your company or not, all of the tax rate notices received are individually evaluated. This is just one of the services that UCAC, Inc. provides its clients in unemployment cost containment which directly improves the client's Profit and Loss Statement.

#### UCAC's Auditing Department Uncovers Thousands of Dollars in State Agency Overcharge Errors Nationwide. Many PEO's and Payroll Services Do NOT Provide This Cost-Saving Service!

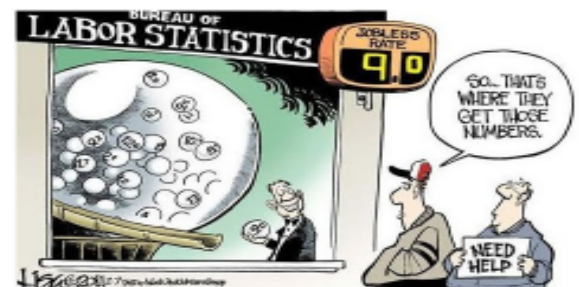
Many clients receive significant savings through the protest of erroneous charges to their accounts due to mathematical errors, fraudulent claims, and illegal charges. UCAC's Auditing Department meticulously and persistently verifies charges are correct by auditing the benefit charge statements and reimbursable invoices throughout the life cycle of every claim. Through UCAC's auditing process, one multi-state client experienced over \$19,000 in overcharge errors protested with verification by UCAC that the credits were received. While bundling HR services with a PEO/Payroll service may save money in some areas, the area of unemployment is often overlooked as the focus is on payroll, workman's compensation, and health benefits, leaving this controllable cost unmonitored resulting in unnecessary expenses.

### Additional Federal Efforts Requested to Prevent and Combat Identity Theft in FL

On March 13, 2015, Florida DEO Executive Director Jesse Panuccio sent a letter to US Department of Labor Secretary Thomas Perez calling for additional action to combat identity theft and public-assistance fraud. In his letter, Director Panuccio outlined concerns about the rapidly growing problem of organized criminal enterprises using stolen identities to defraud public-benefits systems, including Unemployment Insurance.

South Florida has become a national hub for these crimes. Panuccio said, "DEO is working hard to stop this fraud, but more attention to this problem in Florida is urgently needed." Over the past two years, DEO has made preventing, detecting, and combating unemployment fraud a top priority by implementing a state-of-the-art detection program -- the Fraud Initiative and Rules Rating Engine (FIRRE). The results are alarming with nearly 70,000 fraudulent claims identified in 2014 and another 24,000 already identified in 2015, keeping hundreds of millions of dollars from being stolen from the unemployment program.

In his letter, Panuccio states that "given the national scope and increasing costs of fraud in federally-created public benefits programs, the Department believes the federal government needs to do more-- much more-- in this area. More funding, better coordination, and better technology are urgently needed." (Excerpts taken from the News Feed at [www.floridajobs.com](http://www.floridajobs.com))



# STATE OF FLORIDA DEFENDS ONLINE JOBLESS CLAIM SYSTEM

State officials insist Florida's troubled online system for processing unemployment claims is fixed, despite a scathing new audit of the \$77.9 million CONNECT unemployment system. The areas of improvement included the system not working as intended, to screens and reports failing to contain accurate data. The audit looked at the operations of CONNECT between July 2013 and June 2014, with certain department actions through Feb. 5 of 2015.

From the implementation of CONNECT through the end of the audit period, there were 10,878 corrections and changes to the system's data. Among the issues outlined was the continued use of Social Security numbers as system identification. According to the audit, the State prohibits agencies from collecting Social Security numbers of individuals unless the agency has stated in writing the purpose of the collection.

The issues addressed in this article only reflect the perspective of the claimant. Employers and TPA's are continuing to deal with incorrect determinations, missing information, erroneous charges, incorrect account numbers, and late tax rate notices, benefit charge statements, and reimbursable invoices. UCAC, Inc. remains committed to working through this messy minefield on behalf of its clients by rigorously processing multi-page questionnaires and duplicate claim documents issued multiple times and by continuously auditing employer accounts for the protest of erroneous and illegal charges to help reduce the tax liability and the reimbursable charges so its clients pay no more than what is legally required.

Tom Clendenning, Director of Workforce Services for the DEO, said the agency has been using Social Security numbers for claims since 2001 and is in compliance with federal law, adding "In the last 15 years, no reviewing authority has ever flagged this as contrary to State law."

Other problems highlighted in the audit were inadequate monitoring of claims, lenient oversight of network administrative access, and incorrect payments. In one instance, a claimant was wrongfully charged for overpayments totaling \$16,897. In another case, a claim deemed ineligible in 2013 was automatically approved when a new claim was filed in 2014. Due to the problems, the State has had to bring on an additional consulting firm, increase staff by 230, and upgrade shift operations to a 7-day workweek.

Clendenning said the State is currently withholding approximately \$8 million from Deloitte Consulting LLP due to the troubled rollout of the system. The State had a \$40.6 million contract with Deloitte for delivery of the system, which could reach \$47 million due to ongoing change orders as the system is upgraded.

Rep. Dan Raulerson, a Plant City Republican, said the State needs to "stay on top of this" so additional change orders don't further increase the cost of the system. Any contractor "that is doing valid work, should get paid," said Raulerson, who is co-chairman of the committee. "But this has turned into a nightmare."

Palm Beach Post Editor, Rick Christie, added in his editorial, "Right. A nightmare that thousands of hard-working Floridians are still having a hard time waking up from."

Excerpts from the Palm Beach Post articles by

Jim Turner, News Service of Florida, March 17, 2015 and by Editor, Rick Christie, March 24, 2015

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