

<b>EMPLOYMENT AND TRAINING ADMINISTRATION</b> <b>ADVISORY SYSTEM</b> <b>U.S. DEPARTMENT OF LABOR</b> <b>Washington, D.C. 20210</b>	<b>CLASSIFICATION</b> Unemployment Insurance
	<b>CORRESPONDENCE SYMBOL</b> OUI/DPM
	<b>DATE</b> October 29, 2021

**ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 1-22**

**TO:** STATE WORKFORCE AGENCIES

**FROM:** ANGELA HANKS /s/  
Acting Assistant Secretary

**SUBJECT:** Announcing the Availability of an Incarceration Data Exchange and Instructions to Access the Data Exchange between the Unemployment Insurance (UI) Interstate Connection Network (ICON) and the Social Security Administration (SSA) Prisoner Update Processing System (PUPS)

1. **Purpose.** To announce the availability of an incarceration data exchange with SSA’s PUPS systems through the ICON network and to provide instructions to states on the steps required to access the data exchange. The incarceration data exchange will provide State Workforce Agencies (SWAs) with the ability to cross-match UI claims information with SSA’s prisoner data to aid states in determining if an individual meets UI eligibility requirements.
2. **Action Requested.** The U.S. Department of Labor’s (Department) Employment and Training Administration (ETA) requests that SWA Administrators review the information provided in this Unemployment Insurance Program Letter (UIPL), and, if appropriate, promptly prepare and submit the necessary information to SSA.
3. **Summary and Background.**
  - a. **Summary** – ETA actively worked with SSA and the National Association of State Workforce Agencies (NASWA) to establish a secure data exchange between ICON and SSA’s PUPS systems to provide all SWAs with the ability to cross-match UI claims data with prisoner records for use in determining UI eligibility. This UIPL provides SWAs detailed information on the steps that must be completed in order to access the incarceration data exchange available through ICON, including detailed instructions on completing the Form SSA-157 Data Exchange Request Form (DXRF) (*see* Attachment I).
  - b. **Background** – To be eligible for unemployment benefits an individual must be able, available, and actively seeking work. Incarcerated individuals do not typically meet the eligibility requirements to receive UI benefit payments as they would not be able or available for work while incarcerated. The Department’s Office of Inspector General

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> Continuing
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(DOL-OIG) issued an alert memorandum<sup>1</sup> on February 22, 2021, identifying that the social security numbers of 13,446 potentially ineligible federal prisoners were used in attempts to file UI claims equaling more than \$98 million in UI benefits. While some SWAs have access to various local, state, and/or federal incarceration cross-matches, it is critical that all SWAs regularly cross-match UI claims against prisoner records to ensure unemployment benefits are only paid to eligible individuals.

To provide this important cross-matching functionality, the Department and SSA worked together to enter into the required legal agreements and engaged the National Association of State Workforce Agencies (NASWA) to develop and test an incarceration data exchange between the ICON and PUPS systems. ICON is a secure, national system operated by NASWA and funded by the Department through a cooperative agreement to support the exchange of data among SWAs and has been in use since the early 1980s. The ICON network consists of various applications that allow SWAs to share UI data seamlessly and securely through agreements with each other. SSA's PUPS system contains records on individuals reported to SSA as being confined to certain institutions, including but not limited to jails, prisons, and other correctional facilities.

4. **Accessing the Incarceration Data Exchange.** Beginning October 1, 2021, SSA's prisoner data from the PUPS system of records is available for cross-matching through the ICON. States must complete specific actions to obtain access to the SSA incarceration cross-match which will assist with eligibility determinations for applicants or recipients of unemployment benefits.

The SSA's Regional Data Exchange Coordinators (DECs) assist states by streamlining data exchange activities, which include receiving and processing the state's DXRF, entering into and/or updating an Information Exchange Agreement (IEA), and coordinating data exchange security assessments with the state. The required steps each state must take to access the incarceration data exchange to receive cross-match results through ICON are outlined below.

1. Complete the SSA-157 DXRF following the instructions in Attachment I of this UIPL. The completed DXRF must be e-mailed to the appropriate SSA Regional DECs for processing. The state-specific contact information for the SSA's Regional DECs can be found at <https://www.ssa.gov/dataexchange/stateagreements.html>.

States must include the following statement in the e-mail transmitting the DXRF to the SSA's Regional DEC:

“Attached please find the completed DXRF from [state agency][state]. The completed DXRF represents our request for use of prisoner data maintained by SSA for the sole and exclusive purpose of supporting eligibility and entitlement determinations for unemployment benefit programs. If our request is approved, we acknowledge that the prisoner data disclosed by SSA may only be used in the

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<sup>1</sup> DOL-OIG Report number: 19-21-002-03-315 at <https://www.oig.dol.gov/public/reports/oa/2021/19-21-002-03-315.pdf>

manner described in the DXRF. Additionally, we understand that if we would like to re-disclose SSA data or use SSA data for a purpose not identified in the attached DXRF, that we must submit a new request for consideration and approval.”

If the above statement is not included in the e-mail containing the state’s completed DXRF, the DXRF will not be approved.

2. Upon approval of the state’s DXRF, the SSA’s Regional DEC’s will work with the state to either modify the existing IEA between the state and the SSA to include the PUPS data exchange, or, if the state does not currently have an IEA with SSA, the regional DEC’s will work with the state to develop an IEA.
3. After the IEA that includes the PUPS data exchange is completed, the SSA’s Regional DEC’s will work with SSA’s Office of Data Exchange, Policy, Publications, and International Negotiations (ODEPPIN) to coordinate the security assessment and data exchange. The extent of the security assessment may differ by state based on the timing of the state’s most recently completed SSA security assessment.

The SSA’s Office of Information Security (OIS) conducts SSA’s security assessments to ensure that external systems receiving information from SSA are secure and operate in a manner consistent with SSA’s Information Technology (IT) security policies and in compliance with the terms of electronic data exchange agreements executed by SSA with external partners. Within the context of SSA’s security policies and the terms of the electronic data exchange agreements with SWAs, SSA exclusively conducts and completes these security assessments. This includes (but is not limited to) administering security assessments for any SWA that processes, maintains, transmits, stores, or destroys SSA data in accordance with pertinent Federal requirements.

4. PUPS data will be made accessible to the states through ICON UImail. To set up UImail access to PUPS data, the SWA will designate the staff member(s) who will serve as PUPS point(s) of contact, i.e., receive the state’s incarceration cross-match results through ICON UImail. The SWA will work with the NASWA ICON Team to (1) request UImail access for the designated PUPS point(s) of contact and provide all necessary contact information, and (2) arrange UImail training for the point(s) of contact, as appropriate. Contact the NASWA ICON Team at [ICON@naswa.org](mailto:ICON@naswa.org) to initiate the process.

#### **5. Ongoing Independent Verification Requirement.**

Prisoner data sets may not be updated in real time and therefore may lag in the reported incarceration entrance and/or release dates. ETA reminds states to factor in potential lag times when reviewing any incarceration data cross-match results to consider individuals who may have recently been released and could be potentially eligible for unemployment benefits. Information from PUPS provides an indication or tip that there is a possible eligibility issue.

After receiving incarceration cross-match information states must conduct appropriate investigations to determine eligibility.

For certain overpayments detected from matching with a Federal database, such as the PUPS system, the Computer Matching and Privacy Protection Act (CMPPA) also applies. This law provides in part, in 5 U.S.C. 552a(p), that an agency participating in a matching program, including a non-Federal agency such as a state or local government agency, may not “suspend, terminate, reduce, or make a final denial of any financial assistance or payment under a Federal benefit program” unless three conditions are met. First, the agency must have “independently verified the information” obtained from the computer match. Second, the agency must notify the individual of the issue and provide them with an opportunity to contest the findings. Third, the individual must be provided either 30 days or, if a different period of time is provided by statute or regulation, such other period of time, to respond to the notice of findings. *See* UIPL No. 01-16.

6. **Inquiries.** Please direct inquiries to [covid-19@dol.gov](mailto:covid-19@dol.gov) and copy the appropriate ETA Regional Office.

7. **References.**

- Section 303 of the Social Security Act (42 U.S.C. 503);
- Computer Matching and Privacy Protection Act of 1988, as amended (CMPPA), 5 USC 552a(o)-(r);
- UIPL No. 23-20, *Program Integrity for the Unemployment Insurance (UI) Program and the UI Programs Authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 - Federal Pandemic Unemployment Compensation (FPUC), Pandemic Unemployment Assistance (PUA), and Pandemic Emergency Unemployment Compensation (PEUC) Programs*, issued May 11, 2020, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=4621](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=4621);
- UIPL No. 01-16, Change 1, *Federal Requirements to Protect Claimant Rights in State Unemployment Compensation Overpayment Prevention and Recovery Procedures - Questions and Answers*, issued January 13, 2017, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=7706](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=7706);
- UIPL No. 01-16, *Federal Requirements to Protect Individual Rights in State Unemployment Compensation Overpayment Prevention and Recovery Procedures*, issued October 1, 2015, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=5763](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5763);
- UIPL No. 04-01, *Payment of Compensation and Timeliness of Determinations during a Continued Claims Series*, issued October 27, 2000, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=1746](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1746); and
- Employment Security Manual, Section 7511, *The Secretary’s Interpretation of Federal Law Requirements*, available at 20 C.F.R. Part 614, Appendix C, *Standard for Fraud and Overpayment Detection*.

8. **Attachment(s).**

- Attachment I: Instructions for Completing the Social Security Administration (SSA) Form SSA-157 Data Exchange Request Form (DXRF)