



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT
LANSING

STEVE ARWOOD
DIRECTOR

May 6, 2016

The Honorable Sander Levin
1236 Longworth House Office Building
Washington, D.C. 20515

Dear Representative Levin:

I write in response to your letter to Governor Snyder and the concerns expressed regarding the Unemployment Insurance Agency (UIA) and the Michigan Integrated Data Automated System (MiDAS).

The UIA already is taking our customer service to an even higher level to ensure Michiganders receive the services they need. We know that people look to us when they are facing difficult times. In fact, Michigan is now meeting or exceeding all U.S. Department of Labor (USDOL) customer service standards in connection with the quality and timeliness of unemployment determinations including the timeliness of issuing the first payment to people needing the benefits.

You noted a number of issues about UIA and I would like to provide additional information and clarification for your consideration.

The UIA is complying with federal law. Please note that each claimant has a right to protest or appeal any agency decision at multiple levels and there are ample opportunities for due process.

As of August, 2015 the UIA no longer uses an automated system to issue fraud determinations. Rather, staff investigates, reviews, and makes the determination in all fraud cases, contacting the claimant and/or employer for additional information if needed.

It should be noted that in 93 percent of cases concerning eligibility, neither the employer nor the claimant protested the determination. Of the 7 percent that are appealed, the UIA's decision stands in the majority of cases.

It is correct that the UIA discovered more potential fraud than it had previously, but it is important to note that the new automated system gave the UIA the capacity to clear up a significant backlog in a relatively short time frame. Please also note more aggressive integrity efforts – particularly aimed at increasing fraud detection and enforcement - were strongly encouraged by the USDOL. In fact, this issue was cited as a finding in a Michigan Office of the Auditor General (OAG) audit released in March 2011.

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UIA has been in communication with USDOL regarding a review of the auto-adjudicated cases referenced in your letter and is finalizing the details of the plan with USDOL. The Agency has already initiated the review. Where it is determined that an individual does not owe restitution, refunds will be issued. We always want to make sure people are treated fairly.

The UIA will continue to look at ways of improving its services and stands ready and willing to tackle any issues that cause barriers to having an efficient and customer-friendly unemployment insurance program. We are working with our partners in the Legislature and welcome your suggestions as we continue to improve services for Michiganders.

Sincerely,



Stephanie Comai, Director
Michigan Talent Investment Agency

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