# EIS *IT Investment form*

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|---|---|---|---|
| Investment Name: | ID.me identity verification for Fraud detection/prevention on Unemployment Insurance claims | Date: | 1/14/21 |
| Agency: | Oregon Employment Department | Owner / Sponsor: | Bill Truex |
| Agency Division: | Unemployment Insurance | Business Contact: | Sarah Flores |
| Related Program: | Benefit Payment Control (Fraud) | IT Contact: | Bill Truex |
| Policy Option Package: | n/a | Mandate: | federal |

**Investment Type:**   ☒   Non-Project        ☐   Project        ☐   Program Initiation

**Estimated Scope / Description:** Due to significant increases in fraudulent claim attempts against our Unemployment Insurance division during the COVID-19 pandemic, OED is pursuing ID.me as an identity verification solution to both detect potential existing fraud and prevent fraudulent UI claims going forward.  Due to the pandemic's economic impact, unemployment claims have increased exponentially, and new claim types such as Pandemic Unemployment Assistance (PUA) which was passed at the federal level to provide assistance to self-employed/gig workers have added to both the quantity and complexity of claims.  OED is seeking an emergency procurement of ID.me to combat fraudulent regular UI and PUA claims and meet new federal requirements for PUA claimants to verify their identity.  The new DOL requirements are from the Continued Assistance of Unemployed Workers Act (CAUW), which was passed on December 26th, 2020.

OED is seeking a contract with ID.me to provide 3rd party identity verification services.  The federal Department of Labor's affiliated association, known as the National Association of State Workforce Agencies (NASWA) has recommended ID.me as a potential solution to reduce fraudulent UI claims.  The implementation we are pursuing has a relatively low impact on IT resources, as there is no application integration planned between OED and ID.me for this emergency need.  To share some high level detail on how the solution works follows:

- ID.me configures a state specific website for Oregonians to use to complete the ID verification process.
- OED sends a link to the site to claimants who are required to complete identity verification, and claimants complete the process (can expand further on the details of the process, if desired)
- ID.me sends a daily list through a secure FTP process of the claimants that successfully verified their identity, and OED processes the associated claim.  Claimants who do not complete the verification process will not have their claims processed.  Claimants who fail the process have an appeals process through ID.me to attempt to remedy the situation and receive verification
- OED's business intelligence solution will be used to cross match successfully validated Identities with UI claims to identify which claims should be processed.
- Once a claimant has had their identity verified, their continued weekly claims are processed without need for further identity verification
- No PII is shared with ID.me, though ID.me does send OED PII for successful verified claimants for further cross matching internally.

Due to the variability of claims volume and the uncertainty of the duration of the economic recession/pandemic it is difficult to forecast total costs.  However, costs are fixed at $3.50/successful verification, and the government contract offers economies of scale with potential reduced pricing as additional states/government institutions consume ID.me services.  We are initially contracting for 100k verifications to start the process, and expect to continue to purchase blocks of verifications to meet UI claim volume.  Therefore, the estimated costs for the first 12 months is a range that could exceed 500k claims.

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OED's initial implementation does not require any application integration of ID.me with our existing UI IT systems at this time. However, OED may desire to continue using the service in a more integrated fashion in the future. If OED desires to pursue this further integrated path we will submit an additional/separate ITI to seek approval before moving forward. This potential "phase 2" with integration may be desired to occur prior to OED's modernized UI solution, or possibly with our modernized solution, but it is unknown at this time as we are focused on the immediate emergency presently.

The initial contract is for 100k verifications ($350k) and $5k in implementation cost, with an expectation that we will continue to purchase blocks of verifications to meet UI needs on an ongoing basis.

  Please let us know if further discussions or clarity is desired.

**Estimated Schedule:**          Start Date:  1/19/21                          End Date:  1/26/21

**Estimated Budget:**

| Implementation Cost | | 5 –Year Operating Cost | |
|---|---|---|---|
| Hardware: | n/a | Hardware: | n/a |
| Software: | n/a | Software: | n/a |
| Contracts/Services: | 355k to 1.75m (1 year estimate) | Contracts/Services: | 1.775m to 8.75m (high end estimates no change in claims volume from 2020) |
| Personnel: | n/a | Personnel: | n/a |
| Total: | 355k to 1.75m | Total: | 1.775m to 8.75m (includes initial purchase/implementation) |
| Funding Source: | Federal funds | Total Cost*: | 1.775m to 8.75m |
| Contract NTE: | | | |

* Total cost includes implementation plus 5 years of operating cost

**Security Considerations:**

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**Applicable Oversight Threshold(s):** (DAS Policies 107-004-130 and 107-004-150)

☐ ≥$150k Total Cost*  ☐ Cloud / Hosted and High Remediation Cost
☐ ≥$1m Total Cost*, Internal Development  ☐ Cloud / Hosted and System of Record
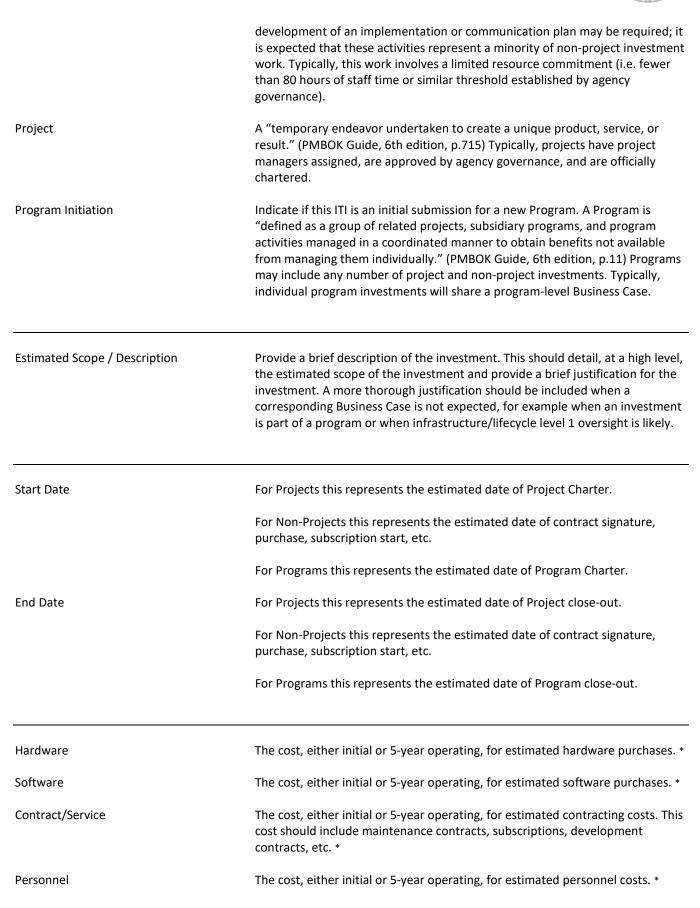☐ ≥Level 3 Information Classification  ☐ EIS Required

**Instructions:**

This form should be filled out early in the governance process.  The information in this form helps the agency and Enterprise Information Services (EIS) appropriately resource the investment for planning and oversight purposes. The ITI form is predominantly an on-boarding form for Senior IT Portfolio Manager (SIPM) and Business Information Security Officer (BISO) engagement.

For Project and Program investments, the information in the ITI form may be high-level or preliminary.  It is expected that agency certainty regarding details will increase over time. That certainty should be reflected in additional documentation (i.e. Project Management Plan) as the project or program progresses. This document does not need to be updated unless specifically indicated by EIS.

For Non-Projects, the information in the ITI should be more thorough as the agency will likely have greater certainty about investment details. In some cases this ITI may be the single scope/justification related artifact required for EIS endorsement, consequently it is expected that the form provide sufficient detail for future readers to understand the justification, scope, and benefit from the proposed investment.

| Field | Definition |
|---|---|
| Investment Name | A unique name for the IT Investment. |
| Agency | The name of the agency. |
| Agency Division | The name of the department of division of the agency requesting the investment. |
| Related Program | If applicable, reference any related EIS approved program (defined as a group of related projects). |
| Policy Option Package | If applicable, reference any related Policy Option Package (POP). |
| Date | The date of initial ITI submission. |
| Owner / Sponsor | The primary owner of the IT Investment, often the Sponsor, and approving authority. |
| Business Contact | The primary business contact for investment questions. |
| IT Contact | The primary IT contact for investment questions. Typically an IT Manager. |
| Mandate | If applicable, indicate the appropriate investment mandate (Federal, Legislative, Governor, etc.). If needed, use the Estimated Scope / Description space for additional mandates or supporting information. |
| Non-Project | An IT investment which may include purchases, subscriptions, contracts, contract amendments, contract renewals, etc. Some activities such as |

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development of an implementation or communication plan may be required; it is expected that these activities represent a minority of non-project investment work. Typically, this work involves a limited resource commitment (i.e. fewer than 80 hours of staff time or similar threshold established by agency governance).

Project

A "temporary endeavor undertaken to create a unique product, service, or result." (PMBOK Guide, 6th edition, p.715) Typically, projects have project managers assigned, are approved by agency governance, and are officially chartered.

Program Initiation

Indicate if this ITI is an initial submission for a new Program. A Program is "defined as a group of related projects, subsidiary programs, and program activities managed in a coordinated manner to obtain benefits not available from managing them individually." (PMBOK Guide, 6th edition, p.11) Programs may include any number of project and non-project investments. Typically, individual program investments will share a program-level Business Case.

Estimated Scope / Description

Provide a brief description of the investment. This should detail, at a high level, the estimated scope of the investment and provide a brief justification for the investment. A more thorough justification should be included when a corresponding Business Case is not expected, for example when an investment is part of a program or when infrastructure/lifecycle level 1 oversight is likely.

Start Date

For Projects this represents the estimated date of Project Charter.

For Non-Projects this represents the estimated date of contract signature, purchase, subscription start, etc.

For Programs this represents the estimated date of Program Charter.

End Date

For Projects this represents the estimated date of Project close-out.

For Non-Projects this represents the estimated date of contract signature, purchase, subscription start, etc.

For Programs this represents the estimated date of Program close-out.

Hardware

The cost, either initial or 5-year operating, for estimated hardware purchases. *

Software

The cost, either initial or 5-year operating, for estimated software purchases. *

Contract/Service

The cost, either initial or 5-year operating, for estimated contracting costs. This cost should include maintenance contracts, subscriptions, development contracts, etc. *

Personnel

The cost, either initial or 5-year operating, for estimated personnel costs. *

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| Total | The total cost, either initial or 5-year operating, for all estimated expenses. * |
| Funding Source | Indicate the primary funding source for the investment. |
| Total Cost | The total of initial and 5-years operating cost estimates. Do not include potential revenue or savings. * |
| Contract NTE | For Non-Project Investments related to a contract (contract, contract amendment, contract renewal, etc.), include the Not-To-Exceed amount of the current contract and amendments. |

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| Security Considerations | Briefly describe the following: |

- Expected security controls required to protect state data against unauthorized access (Confidentiality, Integrity, and Availability)
- Any known business requirements for availability (e.g. acceptable downtime)
- Cloud / Hosted environment: hosted inside or outside the United States
- Highest level of data classification (Reference Policy 107-004-050)
    - Level 1 – Published: Information that is not protected from disclosure, that if disclosed will not jeopardize the privacy or security of the agency employees, clients, and partners.
    - Level 2 – Limited: Information that may be protected from public disclosure, but if made easily and readily available, may jeopardize the privacy or security of agency employees, clients or partners.
    - Level 3 – Restricted: Information intended for limited business use that may be exempt from public disclosure because, among other reasons, such disclosure will jeopardize the privacy or security of agency employees, clients, partners, or individuals who otherwise qualify for an exemption. Information may be accessed and used by internal parties only when specifically authorized to do so in the performance of their duties. External parties requesting this information for authorized agency business may be under contractual obligation of confidentiality with the agency prior to receiving it.
    - Level 4 – Critical: Information that is deemed extremely sensitive and Is intended for use by named individual(s) only. This information is typically exempt from public disclosure because, among other reasons, such disclosure would potentially cause major damage or injury up to and including death to the named individual(s), agency employees, clients, partners, or cause major harm to the agency.
- Restricted data types:
    - HIPAA (Protected Health Information)
    - CJIS (Criminal Justice Information)
    - IRS Publication 1075 (Federal Tax Information)
    - FERPA (certain education records)
    - PCI DSS (Payment Card Industry Data Security Standard)

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- SSA (Social Security Administration)
- FISMA (Federal Information Security Modernization Act)
- MARS-E (Minimum Acceptable Risk Standards for Exchanges)
- OCIPA (Oregon Consumer Information Protection Act)
- Other (identify the specific rule or standard)

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| ≥$150k Total Cost | Investments exceeding a cost of $150,000, unless the investment is an agency-staffed application development project. ** |
| ≥$1m Total Cost, Internal Development | IT Investments exceeding a cost of $1,000,000 for agency-staffed application development projects. ** |
| ≥Level 3 Information Classification | It will store, process, or transmit data of Information Asset Classification Level 3 (Restricted; reference Policy 107-004-050) or higher, or information for which special protection standards apply by law or contract. *** |
| Cloud / Hosted and System of Record | It will be the authoritative source for information that is difficult, expensive, or infeasible to replace or recreate. *** |
| Cloud / Hosted and High Remediation Cost | A sustained interruption of the Service would have a significant impact on agency operations and/or those served by the agency. *** |
| EIS Required | Any IT Investments where EIS determines that oversight, review, or approvals is in the best interest of state government. ** |

\* IT Investment is the planned or actual commitment of funds for IT-related expenditures including, but not limited to personnel, contractors associated with projects, products, services, or contracts and contract renewals and other amendments. **Cost of an IT Investment includes the cost of any services and/or supplies purchased and five years of anticipated operational costs** (e.g., licensing costs, and hardware/software maintenance).

\** For more detail on oversight thresholds see DAS Policy 107-004-130

\*** For more detail on Cloud and Hosted thresholds see DAS Policy 107-004-150