

August 1, 2012

Michael B. Colbert
Director
The Ohio Department of Job and Family Services
30 E. Broad Street, 32nd Floor
Columbus, Ohio 43215

Dear Director Colbert:

We are writing to urge the Ohio Department of Job and Family Services (ODJFS) to improve its system of administering unemployment insurance to make sure Ohioans who are entitled to benefits actually receive them. According to the U.S. Department of Labor (DOL,) a large number of unemployment insurance claims filed in Ohio are improperly denied and underpaid. Numerous Ohioans who met the criteria to receive unemployment insurance were denied benefits through no fault of their own.

According to DOL's CY 2010 Benefit Accuracy Measurement (BAM) Data Summary, Ohio is among the states with the highest rates of improper denials in the nation. In 2010, 14.7 percent of the denials issued to Ohio claimants concerning monetary eligibility were decided incorrectly, compared to 6.7 percent nationally. Similarly, 12 percent of separation denials, or those concerning how a claimant was separated from his job, were improper, compared to 6.1 percent nationally. Lastly, 20.2 percent of denials concerning continuing eligibility of Ohio claimants, or non-separation issues, were improper, compared to 13.5 percent nationally. Consequently, many Ohioans did not receive, or had to wait long spans of time to receive, the unemployment benefits to which they were entitled.

Ohio was also among the states with the highest underpayment rate for paid claims. It is estimated that in 2010, Ohioans received \$20 million less in unemployment insurance benefits than they were entitled to receive. As a result, many Ohioans were unable to pay for basic necessities such as groceries and household bills.

Despite the large number of improper denials and underpayments in the State, ODJFS dedicates significant resources to combat a completely different concern: fraudulent overpayments. We agree that fraudulent claims should not be tolerated. However, given the fact that in 2010 Ohio's fraud rate (1.7 percent) was less than the national rate (2.7 percent), we have concerns with ODJFS' emphasis on these claims. ODJFS must take a balanced approach.

Thousands of families are impacted when ODJFS improperly denies and underpays valid claims. We urge ODJFS to improve its unemployment compensation system to ensure that these concerns are addressed. Ohioans should be able to receive the full unemployment benefits they rightfully earned.

In your reply letter, please answer the following questions:

1. What steps does ODJFS plan to take to address the high percentage of improper denials of unemployment benefits in the state?
2. What steps does ODJFS plan to take to address the high underpayment rate for paid unemployment benefits claims?

Sincerely,

Marcia L. Judge
Tim Ryan

Dennis J. Kucinski
Marcy Kaptur