



February 11, 2022

Dear Chairman Bogner & Committee Members,

Thank you for giving the Department of Labor & Industry an opportunity to answer questions regarding the Department's procedures following testimony from ID.me during the Committee's hearing on Wednesday. I wanted to follow up to address a few specific issues that arose during the hearing.

Senator Ellsworth asked about the circumstances surrounding ID.me's procurement by the Department. In 2020, following a surge in both unemployment insurance claims and fraudulent activity in the midst of the COVID-19 pandemic, then-Acting Commissioner of Labor & Industry Brenda Nordlund determined that the need existed for expanded security tools to combat UI fraud and that ID.me was the sole available product that met the Department's needs. The Department's legal and procurement teams utilized the COVID-19 Exigency for procurement. An IT Procurement Request was submitted to the Department of Administration and approved on October 14, 2020.

Additionally, Senator Ellsworth asked specifically about the process UI claimants could take should they be inaccurately denied by or decline to share their information with ID.me. Claimants may contact the Department's Unemployment Insurance Division at (406) 444-2545 to be connected with a representative who can walk them through a series of alternative identity verification and authentication methods individuals can use on a case-by-case basis should ID.me prove unworkable for their circumstances.

Lastly, I wanted to correct an inaccuracy by the ID.me representatives from their testimony. At this time, the Department has no plans to launch the pilot program for in-person verification referenced in the ID.me testimony. While ID.me approached the Department with this offer and engaged in preliminary discussions with the Department about it, we've decided not to pursue this pilot program. Should circumstances on this matter change, I will inform you.

Even prior to this week's hearing, discussions were underway with State CIO Kevin Gilbertson and SITSD to review the Department's procedures with ID.me. SITSD Chief Security Officer Andy Hanks is leading a security assessment of ID.me, which is currently underway. The Department will continue to engage with SITSD, the legislature, and other stakeholders to review its policies to determine the best way to prevent unemployment insurance fraud while protecting the privacy of Montana citizens. I appreciate your input and feedback on this matter as this process unfolds.

Please let me know if you have any additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Esau". The signature is fluid and cursive, with a long horizontal stroke at the end.

Laurie Esau  
Commissioner