

# Minnesota Frontline Worker Pay Program

Performance Audit  
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## Minnesota Frontline Worker Pay Program

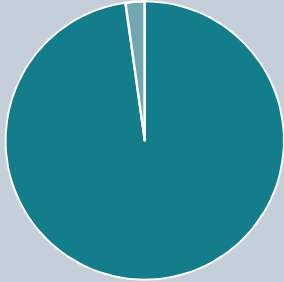
- Legislature approved program in 2022
- Payments intended for workers at risk of contracting COVID-19
- Up to \$1,500 was available to each worker, depending on the number of applicants

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State of Minnesota  
2

## Program Overview – State Funding

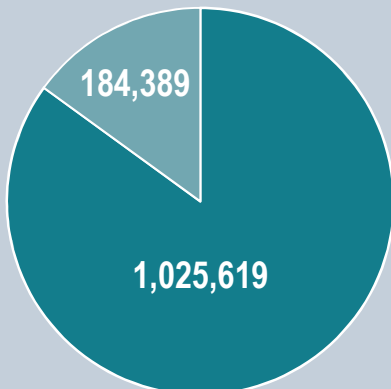
**Administrative Costs**  
\$11.65 million



**Benefit Payments**  
\$500 million

**\$499.9 million**  
paid to  
1,025,619 applicants

## Program Overview – Applicants

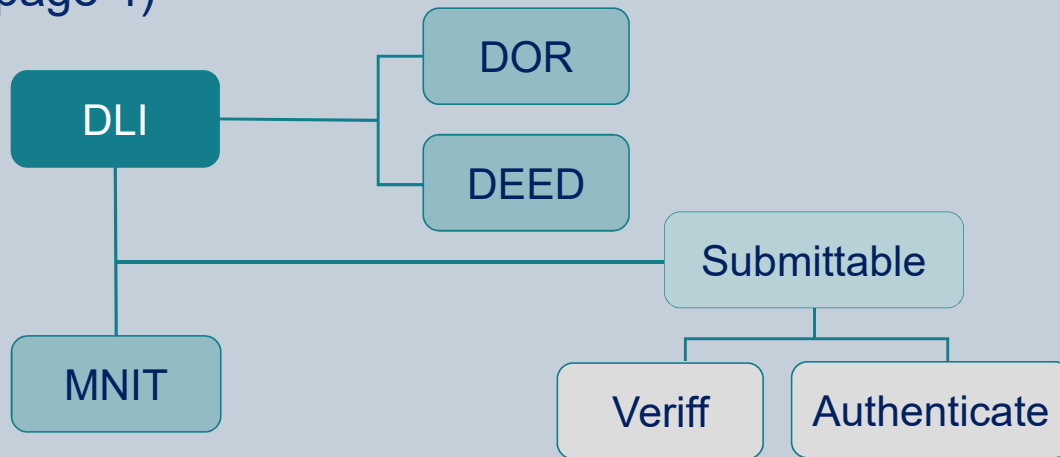


**1,210,008 total applicants**

- 85% eligible
- 15% denied or withdrew from program

## Program Overview – Responsible Entities

(page 4)



## Audit Objectives and Scope

### Objectives

- Eligibility
- Third-party contracts

### Scope

May 9, 2022 – December 30, 2022

## Audit Conclusions

**DLI:** Did not comply with program requirements

**DOR:** Did not verify adjusted gross income for all applicants

**DLI, MNIT:** Did not comply with the state's Official Records Act

**DEED:** Did comply with program requirements

## Eligibility – Requirements (page 7)

- Employed for at least 120 hours in a frontline sector
- In person and in close proximity to others
- Met adjusted gross income requirements
- Met UI benefit requirements

## Eligibility – Sample Testing (page 12)

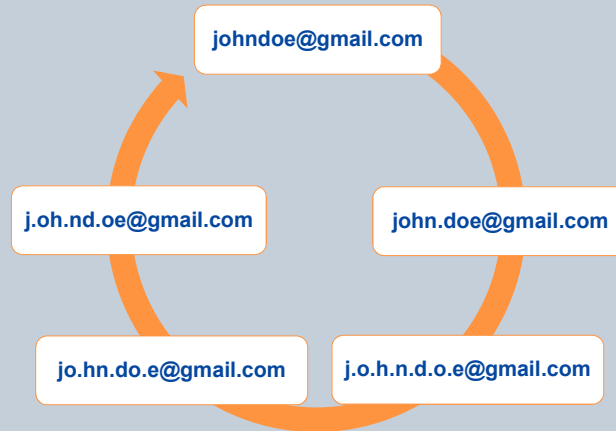
- Tested 300 applications
- Examples of testing results:
  - No reported adjusted gross income
  - Did not work in close proximity to others
  - Was able to telework

## Eligibility – Targeted Testing (page 13)

- Tested 550 applications
- Areas tested:
  - Disposable e-mails
  - Duplicate identification numbers
  - Deceased individuals
  - COVID-19 patient care
  - Non-Minnesota residential and employer addresses
  - Fraud indicators

## Fraud Indicators (page 19)

- Randomized e-mails
- Name and time submission patterns
- Peer-to-peer payment applications
- Unincorporated residential addresses



## Eligibility – Audit Projections (page 16)

Projection Scenarios	Eligible Applicants	OLA Could Not Determine Eligibility	Ineligible Applicants
Accept Responses on Employer Surveys as Accurate	58.9%	32.0%	9.1%
Do Not Accept the Employer Survey Results as Accurate	58.9%	40.9%	0.2%
Accept Most Responses on Employer Surveys as Accurate	58.9%	38.9%	2.2%

## Eligibility – Recommendations for Agencies

- Recoup payments made to ineligible individuals
- Recoup payments made to individuals using another identity
- Review all applications with fraud indicators
- Verify adjusted gross income for applicants when missing

## Recommendation for Legislature

Consider the risk the state is willing to accept for future programs

## Contract Requirements – Third-Party Vendors (page 4)

### Submittable

- Application administration and support
- Payment processing

### Veriff

- Identity verification

### Authenticate

- Identity verification

## Contract Requirements – Audit Results

Contractor or Subcontractor	Data Retention Provisions	Data Retained	Who Holds the Data
Submittable	No	Partial	State and Submittable
Veriff	Yes	Partial	Veriff
Authenticate	No	None	Not Retained



## Contract Requirements – Recommendations

- Include data retention requirements
- Ensure necessary data retained
- Require data destruction when no longer necessary
- Include third-party data in record retention schedule

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