

**2008 Innovations Awards Program
APPLICATION**

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ID # (assigned by CSG): 08-W-19WA

Please provide the following information, adding space as necessary:

State: Washington

Assign Program Category (applicant): Government Operations (Use list at end of application)

1. **Program Name**
Unclaimed Property (UCP) E-claim System
2. **Administering Agency**
Department of Revenue
3. **Contact Person (Name and Title)**
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9. **Please provide a two-sentence description of the program.**
Washington State's Unclaimed Property (UCP) electronic claim (e-claim) system is the first of its kind nationwide, and exemplifies a progressive approach to providing streamlined service to our customers, while simplifying our internal processes and maximizing staff resources. The system is a simplified online claims process, and is aligned perfectly with our e-business culture and Governor Gregoire's mandate to make it easier for the public to do business with the state of Washington.

- 10. How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on March 1, 2008 to be considered.**
The UCP e-claim system was launched in March 2006.

- 11. Why was the program created? What problem[s] or issue[s] was it designed to address?**

The Washington State Department of Revenue is the central repository for lost property in the state, a role it has held since 1955, when the Unclaimed Property Law was enacted. The Department is currently holding over \$600 million for approximately 3 million owners of unclaimed property.

The process for finding and claiming unclaimed property was inconvenient and paper and resource intensive. Citizens and businesses had to call the Department or visit our UCP office and look through mounds of paper to discover whether they had unclaimed property. Additionally, the law required the Department to place classified advertisements in statewide newspapers to notify the public of unclaimed property. This practice was extremely expensive, running approximately \$4.55 per property owner name.

To improve the public's accessibility to unclaimed property, the Department developed its Unclaimed Property database in 1997. The web-based database enables users to search online for missing property, then print a claim form and mail it to the Department.

Over the years, the number of claims increased exponentially. Processing the claims was paper intensive and often claims were submitted without the proper documentation. Extensive staff time was spent reviewing and processing the claims which caused a delay in returning the property.

Department-sponsored legislation in 2005 eliminated the requirement for costly newspaper advertisements. This freed up considerable funds for other forms of more targeted, creative outreach. At the same time, the Department was gearing up to focus its application development – and other services – on user-centered design, the practice of putting the end user at the center of the design process from beginning to end. The convergence of these two key elements drove the reengineering of how the Department reunites people with their lost property.

- 12. Describe the specific activities and operations of the program in chronological order.**

The Department wrote an initiative into its Strategic Business Plan for the development of a new unclaimed property e-claim system that would align with the agency's business mission and Governor Gregoire's directive to make it easier to do business with the state. The Department chose the unclaimed property e-claim system to be the first user-centered design application.

Three Department divisions worked closely and collaboratively to develop the application. Special Programs (which houses Unclaimed Property) determined the system requirements, Information Services built the application, and Taxpayer Services led the user-centered design process.

Special Programs identified two primary goals for the e-claim system:

- To reduce the number of database-generated claims that are not payable

- To reduce the processing time for claims

To accomplish these goals the system is comprised of three critical components:

- A question tree that identifies if a user should pursue a claim
- E-filing and autopay
- Customized instructions

Taxpayers Services initiated the user-centered design process by researching the customers who would ultimately use the application. They discovered that 45 percent of Department web site visitors come to search for unclaimed property. Those visitors encompass a wide demographic distribution as to age, computer literacy, Internet (what – access?), and other factors. With this information, Taxpayer Services knew the e-claim system would need to be easy to use by anyone.

Working closely with the other two divisions, Taxpayer Services helped create simple, step-by-step screens that would walk customers through a clearly defined, easy-to-follow process of identifying property and filing a claim. Taxpayer Services also used plain language on all the screens to make information and instructions easy to understand.

The result was an easy-to-use system that effectively accomplished the goals set forth by the Department, and included the following three components to meet those goals:

- The first component allows users who have searched the database and found property to step through a question tree that helps determine if they are the actual owners of the property and should pursue the claim. The question tree provides an automated review process to identify users who are not the actual owners of the property. This prevents those claims from coming into the Department for review by staff. It also identifies the rightful claimants, expediting their movement through the claims process.
- The second component of the system allows designated claims that have a social security number associated with them to be filed electronically – including electronic submission of documentation – and automatically paid. The system performs a social security number match between the user profile and the record for the account claimed. If a match is made, the claim is paid automatically, with next-day processing. If a match is not made, the claimant is notified and can submit additional proof to establish their identity as the rightful owner of the property.
- The third component provides customized instructions for filing a claim if it doesn't meet the criteria for automatic payment. This reduces the number of claims returned for more information and reduces calls for claimants for information on how to file.

Once the system was built, Taxpayer Services began the process of usability testing, bringing in six representative users. The six users were placed in a lab setting where they were asked to pursue an online claim. Taxpayer Services analyzed the usability of the system by generally observing the users as they stepped through the process, identifying where they clicked, capturing their comments, taking notes, and following up with questions about their experience of the system.

Claimants access the system through the agency's existing secure online services site. Secure Messaging, one of the Department's online services, would deliver notifications electronically, further reducing staff time, mailing costs, and paper.

In March 2006, Washington State launched the nation's first comprehensive unclaimed property electronic claim system.

With outreach funds freed up by the 2005 legislation, the Department seized the opportunity to ramp up outreach efforts in tandem with the launch of the new e-claim system. The stage was set for the Department to reunite more people than ever with their lost property.

The Department rolled out the new unclaimed property e-claim system on the Unclaimed Property web site, bearing a unique, easy-to-remember URL: ClaimYourCash.org.

Taxpayer Services embarked on an extensive, targeted marketing campaign. The campaign was designed to raise public awareness of unclaimed property as a Department of Revenue service, promote the ClaimYourCash.org web site, and promote the use of the new online claim process. Taxpayer Services used a media mix of radio spots and transit boards to reach the broadest possible audience – money that previously went to classified ads. Taxpayer Services also maximized the use of low and no cost public relation tools including news releases to generate statewide TV, radio, and newspaper media coverage, cable station public service announcements, web site links, weekly statewide papers, promotional giveaway items at events, and posters at our local offices. To monitor the results of the marketing campaign, an opt-in multiple choice survey was available on the ClaimYourCash.org landing page.

13. Why is the program a new and creative approach or method?

Washington is not unique in its experience of trying to manage resource limitations in the face of increasing demand for services. The challenge for government agencies is to do more with less. Streamlining through Internet services and automation is the key to meeting this demand.

Additionally, a critical element in the system's creation put the customer at the center of the development process. The Department started by talking to its customers. This research determined that the system would be used by a range of people with varying online experience. This drove how the system was created: step-by-step screens, a simple claims process, and plain language instructions. Once the prototype was built, representative customers tested the system design for ease of use.

14. What were the program's start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

There were no additional costs for this project. The Department used existing staff (programmers) and equipment that the agency already had in place.

15. What are the program's annual operational costs?

There is no specific budget set aside for the e-claim system. It is just a different way of doing business than the Department has done in the past.

16. How is the program funded?

The program is entirely self-funded—the money reported as unclaimed property is used to fund our program. No taxpayer dollars are used for this program.

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.

No

18. What equipment, technology and software are used to operate and administer this program?

We use the agency's Tandem system and the Unclaimed Property web site. The e-claim system is housed in Tandem. We also utilize the agency's online services program to register claimants and provide a secure means for them to transmit their information. Internally, we store the documents as images that retrieved via employees desktops.

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

Yes. The new e-claim system was a process improvement idea that came from a quality improvement team that reviewed Unclaimed Property's claim process.

20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

Every state has an unclaimed property program; however, we are not aware of any other programs that are exactly like our e-claim system. Some of the states allow claimants to submit an initial inquiry online, but then the state sends the claimant a claim form. There is at least one state that we know of that allows you to file online if your social security number matches, but Washington State is the only state that allows all claimants to file online. We are the only state that allows the claimant the ability to upload their proof and have a totally paperless process for all types of claims.

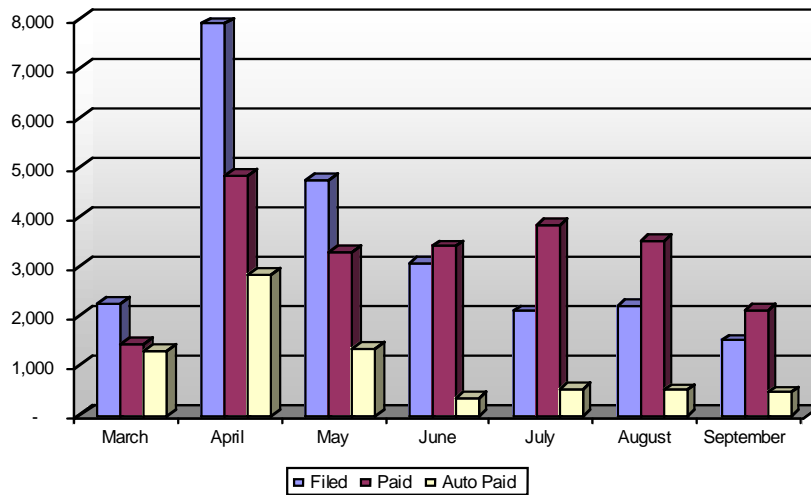
21. Has the program been fully implemented? If NO, what actions remain to be taken?

Yes, the program has been fully implemented.

22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

The results of the new e-file program are gratifying. During the first three months of the new system, 24,461 e-claim packages were filed and 34,158 user profiles were created. From e-claim's launch in March 2006 through September 2006, 22,564 e-claims were paid.

22,564 E-claims Paid



During the first nine months of the new e-claim system, the number of *auto-paid* claims totaled 8,844. Auto-paid claims are paid without employee review.

On average, a representative reviews 1,200 claims per month. With the new system, the Department saves approximately .75 of a full time employee.

Survey results from the advertising campaign found that the majority of users learned about the web site from news coverage (27 percent), radio ads (26 percent), and word of mouth (18 percent). The best visibility came from news media noted by web page views following the coverage. Paid advertising also proved to be very successful – tripling the average daily page views and site visits.

The Department is uniting more people than ever with their unclaimed property – and doing it faster than ever. The new system offers:

- Improved accuracy of claims submitted from the internet
- Faster submission
- Increased efficiency by faster processing
- Reduced administration
- Cost savings (paper, postage, staff time)
- Improved ability to process increasing volumes with existing staff

The streamlined e-claim process frees employees to focus on more complex claims, ultimately improving the quality and speed of service to all claimants.

Because of mail theft and identity theft, many claimants expressed discomfort with mailing the proof required to claim their property. With the new secure online system, and the use of Secure Messaging to communicate confidential information, that insecurity is eliminated. In addition, the question tree identifies which documents a claimant must submit, eliminating the need for them to send unnecessary pieces of identification. This furthers claimants' sense of security.

As a safeguard for users, the Department has instituted the following actions in order to mitigate potential security problems:

- A monthly report is generated that compares refund addresses to those used in the last six years.

- A daily report is generated that shows the original owner names and the refund name.
- A social security number is used only once in the registration process.

23. How has the program grown and/or changed since its inception?

The number of total claims refunded increased 70 percent from fiscal year 2005 to 2006 (90,087 claims refunded in FY 2006). The dollar amount refunded in fiscal year 2006 totaled \$34.6 million, an increase of \$8.5 million from fiscal year 2005.

We are currently in the process of adding several improvements to the application such as:

- Allowing the user to logon and check the status of their claim
- Giving a detailed voucher when the user has not uploaded all the required documents
- Giving the ability to claimants to have their money direct deposited into their bank account

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

As part of the Department, we were able to utilize technology that already existed for our tax filers. Depending on the agency where Unclaimed Property is housed, other states may not have the resources to implement a similar system as easily or would need to start from scratch in developing such a system. Also, each state has differing requirements for claim proof. Many require their claim form to be notarized (Washington State does not require this) and the claimant to send original documents such as stock or death certificates.