

California LifeLine Program

Draft Specifications Document

Identity Verification Check
(Name, SSN and DOB)

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Background and Overview Solution

Since Xerox took over as the CA LifeLine Third Party Administrator, consumers have been approved for the discounted residential landline service if they qualify as a low-income household. Consumers applying for the CA LifeLine discount must complete, sign, and return their application by the due date printed on the form along with the supporting documentation such as proof of eligibility. During the initial application process, a customer record is received from the service provider to Xerox. The customer record contains customer data that is reviewed, sorted, and processed. Currently, the Social Security Number (SSN) and Date of Birth (DOB) are not required from service providers when transmitting data to Xerox. The consumer's information that is currently obtained from the service providers is executed against a validation process where the required fields are validated and a duplicate record check is performed. The system verifies and confirms the customer data against the Master Control Database (MCDB) where identity verification is not performed. To verify the information provided is valid, Xerox modified the physical application form and began to obtain customer's SSN and DOB as required fields on February 1, 2013. In an effort to develop and price an identity verification process, Xerox contacted Experian and LexisNexis to authenticate consumer data in order to protect against and/or prevent identity fraud. The data set to be verified is:

- Name
- SSN
- DOB

Although Xerox reached out to Experian several times, no response was returned. However, LexisNexis reported their findings and provided a solution to meet the business needs of the CA LifeLine program. It was determined that a confidence threshold level needs to be established in order to define the acceptance and failure rate of identity verification process. An explanation of how the confidence level is determined and what is considered a passing/failing threshold must be addressed and understood by all parties to ensure the identity verification logic meets the required needs. LexisNexis will provide a detailed explanation of how the confidence level is calculated and provide recommendations for establishing an acceptance threshold based on industry best practice.

The interface used between Xerox and LexisNexis will be a web service utilizing SOAP over a secure transmission of HTTPS. The parameters of the consumer name that is transmitted to LexisNexis will need to be parsed by First Name, Last Name and Middle Initial. This will require Xerox to implement logic to parse the consumer's full name that is supplied by the service providers in the customer record.

When implementing the identity verification process, Xerox will either require the service provider to send the customer Name, SSN and DOB upon processing the customer record and invoking the identity verification check, or perform the identity verification check immediately after the consumer's application has been approved during the application process. If the first method is applied, it will require some action to be taken by both the service provider and Xerox

since the data is not captured or provided by the Service Provider. Xerox will need about four (4) months on their side to ready this process¹. If the second option is implemented, no additional time or development is needed from the service provider, only Xerox, and that timeframe will be about four (4) months.²

The identity verification check will be invoked immediately after the consumer's application is approved and prior to sending notification to the service provider and consumer. In the event the consumer data does not pass the identity verification check, a new denial code and denial letter will be issued. Below are some examples of events when the identity verification check is invoked immediately after the consumer's application is approved:

- After the identity verification check is performed and the consumer data passes the agreed confidence threshold level, Xerox will notify the consumer and service provider of the approved decision as usual
- If the consumer data does not pass the identity verification check, Xerox will issue a correctable denial to the consumer informing them of the reason why a correctable denial was sent. Note: Service providers with the expanded return feed will be notified of the correctable denial with a new soft denial code returned. Service providers without the expanded return feed will not be notified until a final decision is rendered (A) approved or (D) denied
- If a correctable denial is approved and the consumer's identity is verified, the consumer is approved and notification is sent to the service provider and consumer. If the consumer's data still does not pass the identify verification check for a second time, a final denial will be issued. Both the consumer and service provider will be notified of the decision rendered with a new denial code and reason generated

Although the identity verification check is currently scheduled to only run during the application process, it can also be executed immediately after the renewal form has been approved, if the previous consumer data is different than previously submitted during the application process. Illustrated below are some scenarios to consider.

- If at renewal the consumer's Name, SSN or DOB varies from the previous data submitted, the identity verification check will be invoked immediately after the renewal form has been approved. If the consumer data passes the agreed confidence threshold level, Xerox will notify the consumer and service provider of the approved decision and the consumer will continue to receive the discount. Notification will be sent to the service provider and participant. If the consumer data does not pass the identity verification check, Xerox will issue a correctable denial to the consumer informing them of the reason why a correctable denial was sent

¹ Xerox is operating from the understanding that the timeframe for the implementation starts as soon as Amendment 3 is approved/the CPUC approves the start of implementation.

² Ibid.

- If a correctable denial is approved and the consumer's identity is not verified, a final denial will be issued. Both the consumer and service provider will be notified of the decision rendered with the new denial code and reason
- If at renewal the consumer's identity remains the same as previously submitted, the identity verification check will not be invoked

The proposed pricing for the identity verification service is \$0.42 cents per identity verification request submitted to LexisNexis. The pricing is based upon the master service agreement between Xerox and LexisNexis. Each time the identity verification call is made; \$0.42 is applied regardless if the check is made against the same data multiple times. The price will increase to \$0.45 in option years (after year 1 and any year thereafter, per contract).