



House of Representatives

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September 3, 2020

The Honorable Lucy McBath
1513 Longworth House Office Building
Washington, DC 20515

Dear Congresswoman McBath,

We write to request that your office conduct an investigation into the Department of Labor's oversight of the Georgia Department of Labor's failure to pay valid claims in a timely manner. The Georgia Department of Labor's failure to pay valid processed claims has caused a large backlog of Unemployment Insurance (UI) claims, especially claim benefits provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020.

The subcommittee of the Georgia House Democratic Caucus submits this request for a congressional investigation due to the lack of transparency, discrepancies in data reported in press releases and, on the website, and violation of federal statutes requiring timely payment of Unemployment Insurance (UI) benefits to include:

1. VIOLATION OF FEDERAL STATUTE:

- a. The federal statute under Title 20, Part 640 – Standard for Benefit Payment Promptness – Unemployment compensation.
- b. Purpose and scope states Section 303(a)(1) of the Social Security Act requires, for the purposes of title III of the Act, that a State unemployment compensation law include provision for methods of administration of the law that are reasonably calculated to insure the full



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payment of unemployment compensation when determined under the State law to be due to claimants. The standard in this part is issued to implement section **303(a)(1) in regard to promptness in the payment of unemployment benefits to eligible claimants.**

c. Georgia is a nonwaiting week state and the standards in the issuance of benefit payments to eligible claimants sets the criteria in the schedule for **first payment in 21 days.**

d. Enforcement of the standards state that when a State agency fails to meet the standard set forth in §640.4 or the criteria specified in §640.5, or fails to show satisfactory improvement after having submitted a benefit payment performance plan of action, the Department of Labor shall pursue any of the following remedial steps that it deems necessary before considering application of the provisions of §640.2:

- i. **Initiate informal discussion with State agency officials pursuant to §601.5(b) of this chapter.**
- ii. **Conduct an evaluation of the State's benefit payment processes and analyze the reasons for the State's failure to meet the standard.**
- iii. **Recommend specific actions for the State to take to improve its benefit payment performance.**
- iv. Request the State to submit a plan for complying with the standard by a prescribed date.
- v. Initiate special reporting requirements for a specified period of time.



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- vi. **Consult with the Governor of the State regarding the consequences of the State's noncompliance with the standard.**
- vii. **Propose to the Governor of the State and on an agreed upon basis arrange for the use of expert Federal staff to furnish technical assistance to the State agency with respect to its payment operations.**

2. DISCREPANCY NUMBER 1:

- a. Discrepancy number 1 was published in GDOL press release dated July 16, 2020 (see attachment).
- b. We have analyzed a drastic increase in the number of valid claims not paid from an initial amount of 100,000 to over 200,000.
- c. We filed an Open Records Request to verify the information published on the July 16, 2020, Georgia Department of Labor (GDOL) press release. We needed the up-to-date numbers for the 4 questions below to include:
 - i. The number of unemployment claims processed (3,085,261).
 - ii. The number of claims that were proven valid to pay (1.4 million).
 - iii. The number of people that received benefits (1,148,617).
 - iv. The difference between the numbers of proven valid claims to pay vs. the number that received benefits (251,383 valid claims yet to be paid).
- d. Since the Department of Labor has complained about short staffing, what is the likelihood that there are valid claims among the claims processed (3,085,261) vs. the claims proven to be valid (1.4 million)?



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- e. What is the overall percentage of valid proven claims paid to date?
- f. What is the racial breakdown (if possible)?

3. DISCREPANCY NUMBER 2:

- a. The Georgia Department of Labor August 6, 2020 press release stated, “Of the **65,000** claims that have **not been paid** to date and are valid to be paid, **20,000 of them have already been deemed ineligible** after a review by the department and **over 38,000 must still have their eligibility determined... 32,614 individuals are eligible to receive benefits**, but have never requested a payment (Butler 8/6/2020)”.
- b. **Remember**, of the **65,000** claims not paid (according to Butler) **58,000** accounts for those who were deemed ineligible and waiting review (20,000 + 38,000). This leaves only **7,000** valid claims unaccounted for according to the press release.
- c. Commissioner Butler’s last sentence states that 32,614 “never requested a payment”. This 32,614 cannot come solely from the 65,000 claims he says have not been paid.
- d. This is deceptive and misleading ...at best! If 32,614 never requested payment, then there are more than 65, 000 people with valid claims awaiting payments. The number, stated in the August 6, 2020 press release, simply does not add up. The Open Records Request attempted to verify the data and numbers.

4. DISCREPANCY NUMBER 3:



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- a. The Georgia Department of Labor August 6, 2020 press release stated, “92% of all valid claims have received benefits in the past 19 weeks...Of these claims processed, 1,494,252 were identified as valid claims”.
- b. If there were 1,494,272 valid UI claims and 92% of those claims have received payment, then that leaves 8 % of the valid claims without any payments which add up to 119,542 according to the press release.
- c. **92% of 1,494,272 equal 1,374,730... 1,494,272 (valid claims) – 1,374,730 (92% of valid claims) = 119,542 people with valid claims without any payments. This should be the remaining 8% of claimants. Where did the 65,000 number originate when the actual number is 119,542 (according to the press release)?**

5. DISCREPANCY NUMBER 4:

- a. The Georgia Department of Labor August 6, 2020 press release stated, “Of the 65,000 claims that have not been paid to date and are valid to be paid...” This may lead you to believe that there are only 65,000 people with valid claims waiting to be paid but our stats tell us this is not true.
- b. 8% of 1,494,272 equal 119,542 (valid unpaid claims).
- c. 119,542 valid unpaid claims – the 65,000 claims number used by Commissioner Butler equal 54,542 valid unpaid claims not addressed in the press release.
- d. Commissioner Butler is not accounting for **54,542 valid unpaid claims** that are valid to be paid but not labeled “to be paid”.



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6. LACK OF TRANSPARENCY:

- a. To have at least 4 major discrepancies within press releases published by Commissioner Mark Butler and the Department of Labor required Legislators concerned about the discrepancies to use their oversight power to clarify the critical information.
- b. To obtain information and verify information given in the press releases, we submitted two Open Records Requests to the Department of Labor. An initial Open Records Request was sent on July 21, 2020; however, no reply was received. We decided to send a second request on August 06, 2020.
- c. We were charged over \$2000 for information from the Department of Labor which we viewed as an overcharge because most of the data was already published in the press releases and on the department's website. We view the \$300 and \$1,816 price tag as an overcharge. We simply wanted to know the updated numbers of Unemployment Insurance (UI) claims processed vs. the number paid.

In closing, Georgians seek essential assistance and benefits from the Department of Labor during a time of crisis. It is of the utmost importance that their government operate effectively and in a timely manner. Accordingly, we ask for a congressional investigation into the Georgia Department of Labor's failure to "process and pay" valid Unemployment Insurance (UI) claims.

As elected officials, we truly hope our federal and state legislature and administration can work in true partnership to address the backlog in Unemployment Insurance (UI) claims to help stop the suffering of our constituents. We look forward to hearing from you. We ask that you contact the Chairman of the



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Georgia House Democratic Caucus, James Beverly, at 478-238-3709 or via email at james.beverly@house.ga.gov.

Thank you for your attention to this matter.

Kind Regards,

/s/ Honorable Chairman James Beverly, D143

/s/ Honorable Rhonda Burnough, D77

/s/ Honorable Viola Davis, D87

/s/ Honorable Kim Schofield, D60

/s/ Honorable Sandra G. Scott, D76

/s/ Honorable Shelly Hutchinson, D107