



OFFICE OF THE GOVERNOR

December 1, 2020

The Honorable Anne Marie Schubert
District Attorney of Sacramento County
Sacramento District Attorney's Office
901 G Street
Sacramento, CA 95814

Dear District Attorney Schubert,

Thank you for your letter regarding pandemic-related unemployment insurance (UI) fraud and the efforts undertaken by the California District Attorneys' Statewide Employment Development Department (EDD) Fraud Task Force. Since learning of instances of fraud in San Mateo County Jail in August, I have been deeply alarmed about what has been happening and like you, I am committed to eliminating fraud in the UI system and the temporary federal unemployment benefits programs. The widespread unemployment fraud across local jails and state and federal prisons is completely unacceptable.

With unprecedented unemployment, the state must balance the need to ensure eligible individuals receive the benefits to which they are entitled with the imperative to prevent fraudulent claims. The federal Pandemic Unemployment Assistance (PUA) program was established to quickly get benefits to workers not eligible for UI. This program established a self-certification process for accessing benefits and a minimum benefit payment amount regardless of income. While this helped many individuals in need during this pandemic, bad actors took advantage of the crisis to abuse the system.

For example, in July and August, California was hit with steadily growing PUA claims that EDD monitored closely; in early September, EDD implemented security procedures to deter and eliminate fraudulent claims. Those steps led to an immediate drop in PUA claims. This also happened in many other states.

It is worth noting that the vast majority of fraud in these correctional facilities is occurring in the PUA program and not the traditional UI system.

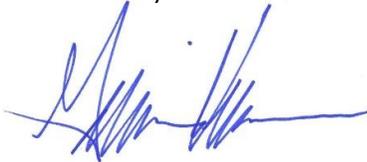
When fraud was detected in correctional facilities, I directed EDD to take immediate steps to prevent and eliminate fraud, and further to hold people accountable when fraud was not prevented. Additionally, at the recommendation of my EDD Strike Team, EDD implemented a two-week reset on accepting new claims. During this time, EDD launched ID.me to streamline and strengthen the identity verification process.

EDD continues to work closely with the Department of Corrections and Rehabilitation (CDCR), as well as the U.S. Department of Labor to share information while protecting the personal information of inmates. This data sharing is meant to identify suspect claims by crosschecking identities of claimants with those in state custody and denying the claims at the outset. In addition, CDCR has more than a dozen investigators assigned to the regional fraud task force and has been in contact with various prison Investigative Service Units across the state and local District Attorneys' Offices. My administration is committed to working closely with you and other law enforcement officials to hold the perpetrators accountable.

I directed Mark Ghilarducci, Director of the Office of Emergency Services (Cal OES), to establish a task force to coordinate state efforts and support the UI fraud investigations. This task force includes experts from Cal OES, EDD, CDCR, the Department of Technology and the California Highway Patrol.

Thank you for participating in the initial meeting on Monday and for your partnership and commitment to preventing fraud and bringing those who commit fraud against the state to justice. I look forward to an update soon.

Sincerely,



Gavin Newsom
Governor of California

cc: Vern Pierson
El Dorado District Attorney

S. Melyssah Rios
Lassen District Attorney

Lisa Smittcamp
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