

## UNEMPLOYMENT INSURANCE: BROWN ADMINISTRATION ORDERS PAYMENT OF CLAIMS WITHOUT CHECKING ELIGIBILITY

Marty Morgenstern, head of the Brown administration's Labor and Workforce Development Agency, has ordered the Employment Development Department to immediately begin the process of paying backlogged claims for continued unemployment benefits, without first making a final determination of eligibility.

Critics said the September 25 order will lead to payments to ineligible applicants, and will add more unfunded costs to the bankrupt program.

The action stems from a computer snafu that has caused delayed payments of claims for nearly 800,000 people. Governor Jerry Brown said, "We all know about computers, they do break down."

One EDD employee wrote *The Sacramento Bee* to say that the problem is not about checking eligibility, it is about the computer not allowing a payment to be made.

In an ironic twist, the U.S. Department of Labor announced September 26 that awards totaling approximately \$176.4 million will be given to 40 state workforce agencies, including California's, for unemployment insurance program integrity, performance and system improvement projects. The grants are intended to support the prevention and detection of improper benefit payments, and to improve state performance and address outdated information technology system infrastructures necessary to improve UI program integrity.

To qualify for program integrity funding, states must have implemented or committed to implement a set of core integrity activities. California's award of \$3.5 million was the largest award received of the 40 states. State-by-state data on improper payments can be viewed at [www.dol.gov/dol/maps/](http://www.dol.gov/dol/maps/)." (Sources: *The Sacramento Bee*, September 26; U.S. Department of Labor news release, September 26.