

## Lawmakers question state employment officials

Thousands of claims remain unprocessed

By PETER WONG

Oregon Capital Bureau

Oregon lawmakers will get a new chance to question officials about the much-criticized performance of the Employment Department in handling a record number of claims during the shutdown of business activity in the coronavirus pandemic.

The House Business and Labor Committee has scheduled a session from 9 a.m. to noon Saturday, which will be livestreamed on the Oregon Legislature's website.

Members on Wednesday heard from two agency officials who did virtually all the speaking during an hourlong presentation that allowed no time for questions.

House Speaker Tina Kotek, D-Portland, released a statement Thursday:

"Chair Paul Holvey was unsatisfied with what the committee heard from Oregon Employment Department Director Kay Erickson and her deputy David Gerstenfeld and asked the speaker (Kotek) yesterday afternoon to provide an additional opportunity to hear from them to further answer the committee's questions."

In addition to processing a record 400,000-plus regular unemployment claims since Gov. Kate Brown's executive orders took effect in mid-March, the agency has had to handle three new programs passed by Congress that extended benefits and expanded eligibility.

Also, 38,000 of the 400,000 claims still remain unprocessed. A processed claim, however, does not mean that the person is receiving benefits.

"I appreciate the new programs you are having to manage, which is difficult," Holvey said when he closed the meeting Wednesday. "But we still have a lot of peo-

## Unemployment jumped by more than 20% in April

By EDWARD STRATTON

The Astorian

Clatsop County's unemployment shot up by more than 20% to a record 24.4% in April after more than 4,800 job losses, according to the state Employment Department.

The state released unemployment statistics for April, providing the first glimpse of the coronavirus pandemic's impact on overall employment. More than 4,200 people in the county have applied for unemployment since mid-March.

In a usual April, the county would gain 470 jobs. But the county lost 4,820 jobs amid widespread restrictions on business meant to stem the spread of the virus.

Leisure and hospitality cut 2,790 jobs in April, including 990 in accommodations and

1,690 in restaurants and bars. Retail trade lost 320 jobs; and education and health care 260. Other services, including hair salons, repair shops and churches, lost another 220 jobs. Professional and business services, including temp agencies, cut 170 jobs; construction 130; and manufacturing 120. Local government education shed 120 jobs.

The county, more dependent on tourism and hospitality, went from having one of the 10 lowest unemployment rates in the state to the second-highest after 26.2% in Lincoln County, another tourism hotspot.

Clatsop County's unemployment peaked at 11.9% during the Great Recession. The statewide unemployment rate in April was 14.8%, and the national rate was 14.4%. May's figures will be available in late June.

ple in need ... and we need to help people as quickly as possible."

Rep. Shelly Boshart Davis, R-Albany, protested the lack of time for direct questioning of the officials in a statement she issued after Wednesday's meeting. She said she has heard from many who have been unable to get through to someone at the agency.

"The horror stories are endless and have been well documented by the press," she said. "I am incredibly frustrated that lawmakers were not given an opportunity to ask questions of the department's leadership."

In her opening statement Wednesday, Erickson offered

a public apology.

"We have done a lot. We have accomplished a lot. And yet there is still much more to do," she said.

"To our customers, I know in these uncertain times, waiting for confirmation of your unemployment benefits can be agonizing. For the thousands of Oregonians who are still waiting, I do apologize. In the coming weeks, we will be doubling down on our efforts to get to a better place."

On Tuesday, Erickson announced a new effort, Project Focus 100, to process the remaining 38,039 claims of more than 400,000 that have been filed since March 15. The agency has processed

about 90% of the total, though some people still await benefits because of unresolved issues. The agency goal is to process 90% of new claims within three weeks of filing.

She said some of the most experienced claims processors — the total staff has jumped from 100 to 700 in recent weeks — will be assigned to resolve what are often the most complex claims.

During the Great Recession a decade ago, Oregon lost 147,000 jobs at its low point, which took a year to reach.

"We are doubling down on the people who have been waiting the longest to get them benefits quickly," Gerstenfeld said. "But it is not possible to do all of the work at once."

The new effort takes in two other programs passed by Congress in the CARES Act, which was signed March 27.

The Employment Department is one month into processing claims from a newly eligible group of workers — self-employed people, independent contractors, part-time and gig workers — but also required states to determine whether they qualify for regular benefits. So far about 50,000 people have applied. They qualify for a minimum benefit of \$205 per week, for up to 39 weeks, and some may eventually get more.

The department started May 21 to process claims for 13 weeks of extended payments to people who have already exhausted their standard 26 weeks of benefits.

"These programs added layers of complexity," Erickson said. "We were asking people who worked for us for just weeks to quickly navigate those systems using our current technology." Under a third program, all recipients will get \$600 per week on top of their unemployment benefits through July 31. There are no extra requirements for people to qualify.

## Washington state recovers \$300M in unemployment scam

By RACHEL LA CORTE

Associated Press

OLYMPIA, Wash. — Washington has recovered \$300 million paid to criminals who used stolen personal information to file fraudulent unemployment benefit claims amid the COVID-19 crisis, state officials said Thursday.

Employment Security Department Commissioner Suzi LeVine said that she could not yet reveal the precise amount that was paid in fraudulent claims, but said that the initial recovery — including \$50 million set to be returned Thursday — was a result of the state's collaboration with federal law enforcement and financial institutions across the country.

"This is a national attack by sophisticated criminals and isn't just happening to Washington state," LeVine said.

LeVine first detailed the scope of the fraud last week, saying that the information of tens of thousands of people in the state was used to fraudulently pay hundreds of millions of dollars in unemployment benefits.

Much of it apparently went to a West African fraud ring using identities stolen in prior data breaches, such as the massive 2017 Equifax breach. Washington is one of several states where attacks have been detected, including New Mexico, Michigan and Montana, according to California cyber security firm Agari, which has monitored the Nigerian fraud group, dubbed Scattered Canary.

The fraudsters had money sent to prepaid debit cards associated with bank accounts, from which they have it transferred internationally or quickly

exchanged for bitcoin or gift cards, according to Patrick Peterson, chief executive of Agari.

LeVine said that the state is recovering additional money from some of the victims of the identity theft who contacted officials after they received debit cards with unemployment benefits they didn't apply for because the impostor forgot to change the address on the account.

The state saw a significant decrease in initial claims for unemployment benefits last week, something LeVine said is likely due to the extra anti-fraud efforts taken in recent weeks, including delaying payments by up to two days in order to further verify claims.

Nearly 1.5 million claims for benefits — with some of that number reflecting people who filed multiple claims — were filed for the week of May 17 through May 23, and more than \$494.5 million was paid last week to 424,995 individual claims.

To date, the state has paid nearly \$4.7 billion in benefits to more than 807,000 people, including federal money that is providing the unemployed with an additional \$600 a week on top of the state's weekly maximum benefit of up to \$790 per week.

Of the more than 323,000 still awaiting payment, LeVine said that a majority of them are cases where someone has filed an initial application but not a weekly claim, or those who haven't applied since the federal program made them eligible. About 44,000 people are currently in adjudication, as one or more issues with their application is being investigated.



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