

DAVID BRADLEY
Senate Democratic Leader

LUPE CONTRERAS
Senate Assistant Democratic Leader

LISA OTONDO
Senate Democratic Co-Whip

JAMESCITA PESHLAKAI
Senate Democratic Co-Whip



CHARLENE FERNANDEZ
House Democratic Leader

DR. RANDAL FRIESE
House Assistant Democratic Leader

REGINALD BOLDING
House Democratic Co-Whip

ATHENA SALMAN
House Democratic Co-Whip

ARIZONA LEGISLATIVE DEMOCRATS
1700 WEST WASHINGTON
PHOENIX, ARIZONA 85007

September 9th, 2020

*The Honorable Doug Ducey Governor of Arizona
1700 W. Washington St. Phoenix, Arizona 85007*

*Director Wisehart
Director, Department of Economic Security 1717 W. Jefferson St.
Phoenix, Arizona 85007*

Dear Governor Doug Ducey and Director Wisehart:

One of our most important roles as legislators is to provide accurate information and resources to our constituents during the deadly COVID-19 pandemic. Our shared priority is to make sure that all Arizonans are financially secure and can trust their government to deliver in a timely and reliable manner the emergency assistance they need to stay afloat during these uncertain times. We acknowledge the hard work of the DES staff and appreciate the changes DES has implemented in an attempt to improve the State's Unemployment Insurance (UI) operations in order to serve the hundreds of thousands of Arizonans applying for UI benefits; yet our legislative offices continue to be inundated with panicked messages from Arizonans who are unable to get answers from DES while dealing with confusion and frustration with the UI process. We recognize the Department is making efforts to meet the demand, however we believe there is considerably more work to be done to see that every eligible Arizonan receives the benefits they are entitled to. As the sole safety net agency for Arizona families and the designated state agency to administer federal monetary unemployment insurance resources, DES has a crucial role during this pandemic. While DES has reportedly disbursed greater than \$10 billion as of August 29, 2020, there are many Arizona families who DES has approved as eligible, who are suffering destabilizing events due to DES' inability to issue a single payment benefit. It is critical that our constituents receive immediate access to lifeline monetary benefits, direct and effective communication from DES, and further that the public be informed of the actions being made to protect the financial well-being of our citizens and our state. In our efforts to effectively, faithfully, and impartially discharge the duties of our elected offices, we request that you take immediate action to:

- (i) Provide interim payments to Arizona's eligible working class with unresolved claims for greater than 30 days
- (ii) Audit, outsource, and formalize the fraud investigation; and
- (iii) Conduct a working session with House and Senate Democratic Leadership to establish a bi-partisan unemployment task force to successfully manage a baseline plan to clear the backlog of unresolved claims and open DES, physically and technologically, to the public for which it was designed to serve.

We also wanted to share some of the stories we've heard from Arizonans who are now in crisis and facing serious financial consequences as a result of the inability to get answers from DES:

Austin Mitchell

As a now unemployed, but previously self-employed realtor, Mr. Mitchell was excited to apply for CARES Act PUA assistance in April and has been met with the lack of response from anyone at DES, after multiple attempts, to address his claim and help him get the needed assistance. He has since been advised to declare bankruptcy.

Dr. Paul Angale, MD

A member of the Navajo Nation, Dr. Angale first applied for UI assistance in May. He experienced many challenges faced by those seeking assistance on tribal reservations. Among the many challenges are a lack of access to the technology required to navigate within the system, lack of response to emails, tremendous challenges in accessing the hotline and, if they get through, not getting any clear answers. "Wait for an answer from an adjudicator" is not a satisfactory answer to someone who has already been waiting months for a reply. Another challenge is that claimants who live with their extended family often use the same telephone, address and email account and are getting caught up in the fraud queue. Submitting an ID with a photo, if they even have the proper ID or a way to get one, may be easy for many people but not if they don't have a smartphone or scanner.

Donna Whitehair

Ms. Whitehair, another member of the Navajo Nation from Window Rock, has compiled an exhaustive list, two pages single spaced, of her daily attempts to resolve her claim throughout July and August. Her story speaks to the increasing frustration and desperation that so many of our constituents are experiencing. Her Bank of America debit card was cancelled with no explanation as she too got caught up in the fraud net.

Robert S. Darcangelo

Mr. Darcangelo is an Arizona native residing in Tucson who had to shutter his catering business. He first applied for traditional state UI but was denied. He was subsequently advised by DES to apply for the PUA coverage, but the portal was not yet operational. After accessing the PUA system he filed his claim and answered yes to the question about availability to work from home. He went back into the system to correct that answer on his application but was unable to do so. After finishing his claim, he was notified that his application

was flagged with one open issue and subsequently he sent numerous emails that DES did not open. After receiving a payment covering the weeks of 4/25 through 5/9, something happened with the DES PUA software and he was instructed to submit weekly claims dating back to February. At this point he had seven pending issues on his claim, and he was instructed to re-file his entire claim as the system wouldn't allow him to file the weekly claims. He refiled his claims as instructed and was then notified not to refile as this was "causing issues." After attempting to resolve his claims several times, he has, at this point, been waiting 18 weeks and counting. His experience is sadly not unique, as we have an entire file full of similar stories.

We ask that you review the attached document which provides much more detail for the stories we have told here. These stories are only a handful of the Arizonans who are struggling to make ends meet during this pandemic. As it is our duty as elected leaders to provide support and assistance to them, we respectfully request:

- The state provide additional resources, including assistance in staffing the hotline and the adjudication division, to DES to better serve Arizonans and clear the backlog.
- The state provide funding to modernize and update the DES computer system in order to provide more efficient and accurate service to Arizonans.
- DES provide regular public briefings and updates on progress made in areas of communication and adjudication.
- DES provide the public with a point of contact with DES adjudicators who can set appointments, assign numbers and adjudicate claims within a specified period of time.
- Triaged adjudication of claims.
- Create a crisis hotline.
- Consideration of National Guard deployment to train and utilize now and into the state's recovery period.
- Performance audit and implementation of efficient and triaged operations and process based upon length of delay
- Answers for data requests, provided in categories for individuals who were denied traditional unemployment and total reasons for denial (excluding fired for cause and voluntary quit)
 - Aggregate number of persons denied unemployment insurance benefits, both traditional and PUA
 - Number of non-initial claimants awaiting adjudication for fraudulent active issues and non-fraudulent active issues.
 - Number of 900,000 fraud flagged accounts that are determined to be fraud versus accounts that need further inquiry.
 - Average number of days from the time a person files a claim to receive their first payment.
 - Number of persons waiting greater than 120 days for resolution.
 - Procedure to verify accounts and seek restoration of funds for people whose benefits were swept from Bank of America debit cards.
 - Appellate process post COVID-19, appellate data; and number of appeals
 - Disparity in reporting data to U.S. Department of Labor and DES dashboard

Arizona is in the midst of an exceptional public health and economic crisis, with a notable secondary effect in the form of a public trust deficit. In the 182 days since you issued a Declaration of Emergency and Executive Order to provide health officials with tools and guidance necessary to combat the adverse impacts and spread of COVID-19, tens of thousands of hard-working, taxpaying Arizonans have been unable to access the UI Division to seek the economic resources they have been approved for and which they need to survive. Many are still awaiting their first benefit payment. This is unacceptable. As a result, our legislative offices have received an influx of dire cries for help, unexpectedly becoming a de facto back channel to access the UI office of DES. We are deeply concerned about Arizona families, especially single moms, , minorities, low-income wage earners, those without computer or technological access, and those in rural areas, who are disproportionately impacted by a loss of income.

Together we can take immediate action to restore the public's faith and trust in government and to assist DES in establishing transparent and effective solutions to ensure timely disbursement of federal CARES Act economic relief. We look forward to the opportunity to collaborate and work together, in the best of interest of Arizonans to help them through this difficult time.

Sincerely,



DAVID BRADLEY
Senate Democratic Leader
LD 10



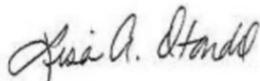
CHARLENE FERNANDEZ
House Democratic Leader
LD 4



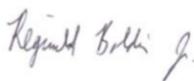
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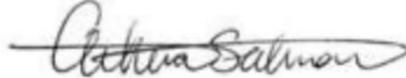
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