



August 11, 2020

The Honorable Jay Inslee, Governor
Office of the Governor
P.O. Box 40002
Olympia, WA 98504-0002

Re: Employment Security Department Fraud - Potential Impact on Tri-City Business

Dear Governor Inslee,

The Tri-City Regional Chamber of Commerce is concerned about the current status and forecasts of the Unemployment Insurance (UI) Trust Fund and respectfully asks that you do not increase employer tax rates (experience, social, or solvency) as a result of fraudulent payments through the Employment Security Department (ESD) due to unemployment driven by COVID-19 related mandated business closures.

Because it is vital that employers and workers have confidence in the agency overseeing the UI Trust Fund, the Chamber also requests that a UI advisory committee be activated to disseminate information, explore options, discover appropriate mechanisms for rebuilding fund levels, and that the Washington State Auditors investigation surrounding the fraudulent payments be expedited - the results of which should answer the following questions:

- 1.) Is \$650 million the final tally of the fraudulent payments?
- 2.) What internal fraud controls were in place before the pandemic?
- 3.) What actions have been taken by ESD to prevent future fraud?

As Washington slowly begins to emerge from this global pandemic, the Tri-City Regional Chamber of Commerce urges you not to support a business tax increase to keep the UI Trust Fund solvent. Increased taxes of employers could not come at a worse time – when they continue to reel from pandemic-related shock to the economy.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Mattson".

Lori Mattson, IOM
President/CEO, Tri-City Regional Chamber (TCRCC)

A handwritten signature in blue ink, appearing to read "Jim Arneson".

Jim Arneson, President, Community First Bank
Chair, TCRCC Local Government Affairs Committee

cc: 8th District Legislators
9th District Legislators
16th District Legislators
Suzi LeVine, ESD Director