

March 8, 2023

Representative Kevin Kiley
Longworth House Office Building, 1032
Washington, DC 20515

Dear Representative Kiley,

President Biden has nominated Julie Su to be elevated as the next Secretary of Labor. Soon, the Senate Health, Education, Labor and Pensions Committee – led by Senator Bernie Sanders – will hold a hearing to determine Su’s eligibility for office.

Californians, including thousands of your constituents and small business owners, have borne the brunt of Su’s misguided leadership. Prior to serving as the U.S. Deputy Secretary of Labor, Su served as the California Labor Secretary and headed California’s Division of Labor Standards Enforcement.

As the top labor official in California, Su oversaw a massive failure of California’s unemployment insurance (UI) system. The Employment Development Department (EDD), a department Su oversaw that handles UI claims, struggled to keep up with claims as Californians lost their jobs at the beginning of the pandemic. Tens of thousands of Californians struggled to stay afloat as the backlog of unpaid claims continued to grow.

The disaster triggered an emergency audit of the EDD which found rampant fraud throughout the system. While hard-working Californians waited in an endless unemployment backlog, criminals, including death row inmates, raked in money from the state. As much as \$1 billion in fraudulent payments was distributed to inmates, including convicted murderer Scott Peterson. Sen. Dianne Feinstein even had a fraudulent claim made in her name.

In total, Su admitted that roughly 1.4 million claims were flagged as fraudulent and up to \$40 billion was wrongly distributed while she oversaw the department. Su was named in the state audit for her failed leadership.

“In spring of 2020, the secretary of the Labor and Workforce Development Agency directed EDD to pay certain claimants UI benefits without making key eligibility determinations and to temporarily stop collecting biweekly eligibility certifications...consequently, EDD now faces a very large impending workload of eligibility certifications that threatens its ability to operate effectively.”

In response to her seemingly endless scandals and recent nomination to the Labor Department, CABIA is running a television commercial criticizing Su’s nomination in the Washington, DC markets of CNN, MSNBC, Good Morning America and the Today Show.

CABIA also compiled a report recounting Su's careless dealings in California, information on her background before joining the public sector, and documenting hundreds of millions of dollars in fraudulent payments during her time at the EDD.

Beyond fraudulent unemployment claims, Su also failed to address harmful labor laws on the books in California, including the Private Attorneys General Act (PAGA). For years, PAGA has allowed employees to file frivolous lawsuits against employers for any perceived infraction -- even minor or accidental -- of California's 1,100-page Labor Law Digest. Under Su, the policy continued to be weaponized by attorneys who often made millions at the expense of the state's small business owners.

Californians have suffered enough under Su's leadership. CABIA believes promoting her to Labor Secretary would only subject the rest of the country to her failures.

Sincerely,

Thomas Manzo

Tom Manzo
President and Founder
California Business and Industrial Alliance