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HOUSE COMMITTEE ON EDUCATION
AND THE WORKFORCE

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HOUSE COMMITTEE ON JUDICIARY

Congress of the United States
House of Representatives
Washington, DC 20515-0503

March 1, 2023

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Dear Mr. President,

In response to the nomination of Julie Su to succeed Marty Walsh as Secretary of Labor, we, the Members of the Subcommittee on Workforce Protections (House Committee on Education and Workforce) wish to express our strong opposition to this nomination.

From 2019-2021 Deputy Secretary Su served as Secretary for the California Labor and Workforce Development Agency. During her watch, Deputy Secretary Su oversaw two highly damaging labor actions: (1) allowed one of the largest cases of unemployment insurance fraud to occur and (2) implemented one of the most destructive labor policies in decades.

Fraud showing the highest degree of negligence

According to numerous reports, the California agency responsible for the unemployment compensation program admitted to improperly paying out \$32.6 billion in jobless benefits ([\\$32.6 billion in EDD fraud](#)), some of it going to incarcerated individuals. What is most infuriating about this situation is it could easily have been prevented had the state implemented proper fraud prevention systems rather than determining the several million per year price tag for these systems was too expensive.

In fact, choosing not to implement proper fraud prevention systems, which resulted in such an exorbitant amount going to individuals who did not qualify for assistance while those who were eligible and truly needed the help did not receive payments in time for months on end is nothing short of a dereliction of duty.

To put a finer point on this outrageous situation, we bring to your attention just one example of how our constituents fared. In late April, one of our delegation offices received a call from a woman named Emily who was inconsolable, saying she was on the brink of giving up hope. She was out of work and her EDD claim had been pending for a month. She had no money, no way to pay her bills or put food on the table. We would later learn the agency had made a basic

processing error, denying her claim and not even telling her. Further, an August 8, 2022 article in the Sacramento Bee noted that “payments were delayed for about 5 million workers during the Covid pandemic that began in March 2020. An estimated 1 million people had their benefits improperly denied” (<https://amp.sacbee.com/news/politics-government/capitol-alert/article264295806.html>).

Damage to the livelihoods of hard-working Americans

A second and equally appalling black eye is that Deputy Secretary Su supported California’s AB5, a law that makes it nearly impossible for independent contractors to operate in the state of California due to impossible standards used to determine employee versus contracted worker. This single ill-conceived action of the California legislature, supported by Deputy Secretary Su, has cost tens of thousands of freelance workers their livelihoods.

Either of these two situations should be an automatic disqualifier for anyone nominated to head the U.S. Department of Labor. But together, these two situations scream “incompetence.”

We urge you not to nominate Julie Su to be the next Secretary of Labor.

Sincerely,



Kevin Kiley
Chairman of Subcommittee on Workforce Protections



Elise Stefanik
Member of Congress



Mary Miller
Member of Congress