



## Washington State Legislature

June 5, 2020

Washington State Auditor Pat McCarthy  
302 Sid Snyder Ave SW  
Olympia, WA 98501

Dear Auditor McCarthy,

As one of the newest State Senators I am writing to express my disgust with how the Employment Security Department has handled the crisis that has arisen from the surge in Unemployment Insurance claims since the COVID-19 pandemic gripped our state. While there are many areas of grave concern including lack of customer service and atrocious response times to constituents in desperate circumstances (I would be happy to provide many, many examples at your request), perhaps the most troubling is the lack of fiscal oversight being practiced by ESD.

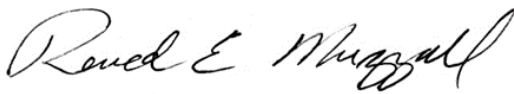
In my private sector experience, I have had the opportunity to supervise audits on a number of occasions. The most prominent was when I served on the Land O'Lakes corporate board (a Fortune 200 company) and sat on the audit committee. We had our own internal auditing department but then utilized KPMG to do our end of fiscal year audit. I cannot understand how a state-run department could have such lax controls to allow hundreds of millions of dollars to be taken without red flags being run up. At Land O'Lakes we had an internal malfeasance which cost us \$150,000 and we were appalled. This was in a 15-billion-dollar organization. I am tremendously concerned that we cannot get a straight answer out of ESD as to how much was taken, and why it wasn't prevented, or at least detected sooner.

In my role as a Legislator, I've had to answer constituents who are preparing to become homeless because ESD cannot figure out how to pay them. It is absolutely appalling that this safety net which we all pay in to has allowed this many people to fall through the cracks. To add insult to injury, earlier this week ESD informed our caucus that they would only be allowing 10-20 constituent cases a week to be submitted. This would mean we would need to choose which constituent to help, and which to leave to fend for themselves. In the face of a great deal of

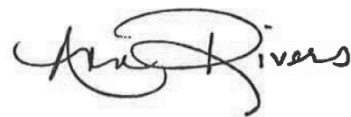
pushback they have backed away from this proposal, but it shows a troubling lack of concern for the people of Washington State they are supposed to be serving. It is unacceptable that a state agency would treat people this way, and then cut legislators out of the conversation.

Based on the concerns I have outlined above, I am writing this letter to call for a formal audit of ESD to determine where the process broke down and to seek recommendations as how to correct the issues. We must hold our state government accountable to the promises it made to our friends, neighbors, and fellow Washington residents. I am joined by my colleagues in signing because we think that the public trust in government is so shaken by this malfeasance and we must do something to prevent this from ever happening again.

Sincerely,



Senator Ron Muzzall, District 10



Senator Ann Rivers, District 18



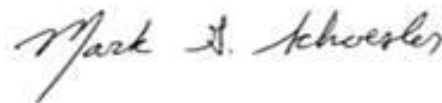
Senator Mike Padden, District 4



Senator Sharon Brown, District 8



Representative Jim Walsh, District 19



Senator Mark Schoesler, District 9



Senator Jim Honeyford, District 15



Senator Judy Warnick, District 13



Senator Shelly Short, District 7



Representative Keith Goehner, District 12



Senator Randi Becker, District 2



Representative Drew MacEwen, District 35



Senator Keith Wagoner, District 39



Representative Alex Ybarra, District 13



Representative Tom Dent, District 13



Senator John Braun, District 20



Representative Robert Sutherland, District 39



Representative Michelle Caldier, District 26



Representative Carolyn Eslick, District 39



Representative Joe Schrick, District 9



Representative Vicki Kraft, District 17



Representative Bob McCaslin, District 4



Representative Andrew Barkis, District 2



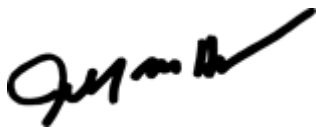
Representative Bill Jenkin, District 16



Senator Phil Fortunato, District 31



Representative Paul Harris, District 17



Senator Jeff Holy, District 6



Representative Mike Volz, District 6



Senator Steve O'Ban, District 28



Representative Norma Smith, District 10



Senator Lynda Wilson, District 17



Representative Kelly Chambers, District 25

Representative Larry Hoff, District 18

Representative Dan Griffey, District 35



Representative Mike Chapman, District 24



Representative Luanne Van Werven,  
District 42



Representative Chris Corry, District 14