

EDD Systemic Failure Timeline

Pre-COVID EDD Systematic Failures		
<i>Date</i>	<i>Item</i>	<i>Source</i>
2013		
May, 2013	EDD reduces phone call-in service from 8 a.m. to noon because of the lack of federal funds.	KCRA 3
August, 2013	EDD experiences a “glitch” in their new computer upgrade system that resulted in delayed payments between August and October. The delays resulted in legislative hearing in the Fall of 2013.	KCRA 3
	EDD is awarded a grant from the U.S Department of Labor for the installation and use of a fraud-protection software system from Pondera Systems.	KCRA 3
29	Despite DOL grant, EDD experiences an increase in identity theft and fraudulent claims.	Fox 26 News
2016		
Summer	EDD discontinues using the fraud-prevention Pondera system. They state it was because it cost too much, which was about \$2 million annually.	KCRA 3
Pandemic Related EDD Systematic Failures		
2020		
March, 2020	EDD tells people who are not eligible for unemployment to apply and then issues them award notices saying their benefit award was \$0. Department does not answer their phones to respond to questions.	Rep Doc
17	EDD shuts down all offices due to the coronavirus pandemic. The offices are closed and phones were shut off.	Rep Doc
19	People are unable to file for unemployment online after the website crashed and phones stop working.	WBTV
25	EDD launches a new website. EDD's spokesperson cites a "sudden slam" due to the state shutdown for increased delays in benefits and says they're working on "new help items."	KCRA 3
27	The Federal Government warns the EDD that with CARES Act funding for unemployment will likely come attempts by fraudsters to illegally obtain funds.	Rep Doc
April, 2020		
17	After almost a month of delay, the application for the Pandemic Unemployment Assistance (PUA) program goes live on EDD's website and immediately crashes. Claimants struggle INTO DECEMBER OF 2020 to successfully get the EDD to process their applications.	KCRA 3
19	Both the new phone line and the EDD website experience problems. The website says, "we are having problems, please check back."	
20	EDD website has been freezing and the agency is not answering phone calls.	KTLA
May, 2020		

11	EDD Whistleblower warns of identity thefts concerns. Many are emailing their names, date of birth, and social security numbers to random EDD email addresses found online.	KCRA 3
20	KCRA 3 Investigates obtains phone service contract for EDD. It is a no-bid emergency contract with Deloitte, the same company behind the problematic 2013 computer upgrade.	KCRA 3
25	KCRA 3 Investigates obtains phone service contract for EDD. It is a no-bid emergency contract with Deloitte, the same company behind the problematic 2013 computer upgrade.	KCRA 3
June, 2020		
11	An EDD phone worker has stated that the system is not working and that EDD phone workers only receive one day of training prior to taking their post.	KCRA
July, 2020		
2	Californians contact KCRA 3 saying they have waited 16 weeks or more for money.	KCRA 3
8	Nearly 2 million claims have gone unpaid during COVID-linked business shutdowns.	Mercury News
	Newsom announces a "strike team" to go inside EDD and create a "blueprint" for fixing the issues within the department. They are given until early September to announce their findings.	Santa Cruz Sentinel
30	KCRA 3 Investigates begins to get messages about stacks of envelopes arriving in mailboxes from EDD. All list the correct addresses, but not the names of the people living in the homes and apartments.	KCRA 3
September, 2020		
2	EDD announces they will stop backdating claims to the Pandemic Unemployment Assistance Program; the program they now say is the hardest hit in fraudulent claims coming to EDD.	KCRA 3
17	The EDD strike team presents their report to EDD first, then releases it on a Saturday. In it, they detail a backlog of 1.5 million claims. <ul style="list-style-type: none"> • They talk about ancient computer systems, a 60-year-old programming language, and say that the phone lines are answered by people untrained for claims. • The strike team finds that EDD has so focused on minute areas of claims that could possibly point to fraud they completely ignored massive fraud coming into the department from the Pandemic Unemployment Assistance portal. • By this point, millions of Californians have not had their claims paid due to fraud. 	KCRA 3

	<ul style="list-style-type: none"> The strike team recommends a complete shutdown for two weeks of new claims to reduce the backlog inside EDD. <p>EDD does instigate the "burn down" plan to reduce the backlog, but more than a million claims remain.</p>	
19	EDD shuts down for two weeks as part of the "burn down" plan to reduce the backlog. They add the "ID.me" system, which the California DMV uses to verify identity in order to speed up claims and reduce fraud.	
October, 2020		
7	EDD finally releases how many accounts are now under scrutiny. The department freezes nearly 700,000 claims.	KCRA 3
8	Bank of America Freezes EDD Accounts of Nearly 350,000 Unemployed Californians for suspected fraud.	KCRA 3
November, 2020		
	California approved more than \$140 million for at least 20,000 prisoners including to well-known convicted murderers like Scott Peterson and Cary Stayner.	
24	In more attempts to prevent fraud, EDD begins freezing accounts, as does their contractor, Bank of America. Californians are finding their previously open accounts are now frozen. EDD blames Bank of America and Bank of America blames EDD.	
December, 2020		
17	The EDD runs claims through an algorithm that flags approximately a million claims as having potentially fraudulent activity. EDD immediately suspends all claims resulting from the algorithm without reviewing them.	KRON 4
January, 2021		
15	While EDD has generated nearly 8 million tax forms for unemployment income, there is no indication whether they are all legitimate. The fear is that tax documents generated by EDD could be sent to many of EDD's victims of fraud.	Mercury News
22	"After suspending 345,000 disability checks because of fraud concerns, California officials on Thursday confirmed nearly all of those suspected claims were associated with criminals trying to trick the state into paying them"	KCRA
25	Unprepared, poor planning and ineffective management. That's how California's State Auditor Elaine Howle describes the inner workings at EDD.	KCRA 3
February, 2021		
5	After multiple warnings, EDD has sent out millions of IRS tax forms for benefits they never applied for and now have to unravel the tax problem by getting an adjusted form from EDD.	KCRA 3
March, 2021		
5	Cost Of Deloitte's EDD Phone Center Balloons to \$55M, As Millions Of Calls Go Unanswered.	KCRA 3

May, 2021		
8	As of May 8, about 1.11 million California workers had filed jobless claims that were waiting for payment or resolution on the part of the state's Employment Development Department.	KCRA 3
14	Calls to the state's unemployment department have ballooned about 38% over the last month – and fewer are being answered, according to data from the agency.	Sac Bee
	The backlog of claims -- and claims that EDD refuses to call backlogged, but "waiting for certification" -- comes to a combined total over a million claims.	Sac Bee
28	With EDD's phone lines perpetually jammed, thousands of people are paying \$20 to \$80 per call to private companies that connect them to EDD by robo-dialing it — which in turn adds to the congestion.	ABC 10
Post CA Reopening EDD Systematic Failures		
June, 2021		
2	<p>“The EDD is being accused yet again of fumbling a program meant to help people, [with a backlog of 400,000 grant applications].</p> <p>The federal government offers a program where employers can get a tax credit for hiring certain people, like former inmates, veterans, and people on food stamps. It's called the Work Opportunity Tax Credit.”</p>	FOX 26 News
14	Despite California reopening today, EDD still has a backlog of 230,000 claims – those waiting three weeks or more for benefits.	DOJ Press Release CBS Los Angeles
19	COVID economy: California unemployment claims backlog worsens. Workers in California face bigger backlogs 15 months after the coronavirus lockdown began.	Post News Group
July, 2021		
6	Throughout much of 2020, the claims backlog was more than 1 million. And midway through 2021, more than 90% of the calls to the EDD call centers were going unanswered, compared with more than 99% in 2020. Currently, it takes the typical caller 11 tries to reach a human.	CBS News LV Fox 5 LV DOJ Press Release
7	“Just how dysfunctional is California's unemployment department?”	Yahoo
12	EDD's failures mount as they mail a Bay Area woman's private information to a stranger, raising more fears of identity theft.	NBC Los Angeles News Nation USA
15	Californians are once again receiving EDD mail addressed to other people.	CSLEA

		KGET
20	'California's thorough bungling of unemployment insurance system'	Mercury-Register
21	"Long Beach man getting numerous EDD letters addressed to strangers" [Note: references EDD acknowledgement that California paid out \$158 billion in benefits since March 2020, about \$11 billion was confirmed as fraudulent, and \$20 billion labeled suspicious and likely fraudulent.]	ABC 7
26	"How Unemployment Insurance Fraud Exploded During the Pandemic"	ProPublica
30	'Delays for unemployment benefits persist, over a year into pandemic'	CNBC
August, 2021		
18	"Nearly a year after a "strike team" appointed by Gov. Gavin Newsom recommended an overhaul of California's unemployment benefits system, hundreds of thousands of jobless residents continue to experience delays in getting payments and the state is still grappling with the loss of billions of dollars to fraud."	LA Times
20	'California EDD Fixes are still a question mark'	CalMatters
	'EDD Hearing Postponed, Sen. Nielsen says "This is Outrageous Political Gamesmanship."'	East County Times
24	"State [democrat] lawmakers have twice postponed a key hearing on the Employment Development Department and likely won't take up the issue again until Sept. 21."	OC Register
27	"The EDD's "significant weaknesses" in fraud prevention were responsible for billions of dollars in "improper payments.""	Daily Breeze
September, 2021		
19	'Couple receives 50 EDD letters addressed to others'	The Sun
21	EDD hearing postponed again. (Video)	Yahoo News
	"As Vice Chair of the Senate Labor, Public Employment, and Retirement Committee, Senator Rosilicie Ochoa Bogh (R-Yucaipa) is leading the efforts to call for more accountability of the mismanaged Employment Development Department (EDD)"	OC Breeze
24	'Has EDD been held accountable for its pandemic blunders? Lawmakers and policymakers say...not yet.'	ABC News 10
26	'How California's EDD got scammed out of \$2 million by a prison inmate, a nurse and a car dealer employee'	SF Chronicle
October, 2021		
25	"After months of waiting and several postponements, the legislature held a joint session to get an update on the EDD's progress [regarding \$20 billion in fraudulent UI claims."	ABC 10

	The State Auditor's Office said EDD has met about 62% of its recommendations, but still needs a lot more work on making those ideas a reality".	
November, 2021		
18	'A California couple vanished after stealing millions in Covid-19 relief funds. They left a goodbye note for their three kids'	CNN
21	"Around 100,000 Californians who were previously denied unemployment benefits through the federal Pandemic Unemployment Assistance (PUA) program may now be retroactively eligible."	LAS STORIES DE AS
December, 2021		
5	Senator Pat Bates explains how it is not fair for California businesses to pick up the tab for EDD fraud and what the state can do.	The Epoch Times (Video)
12	"Unemployed Californians struggled to get money for legitimate claims, all while the EDD paid out more than \$20 billion to fraudulent accounts."	KCRA
	KCRA EDD fraud documentary on YouTube – The biggest fraud in US history.	YouTube
20	"A new state policy may require nearly 900,000 Californians to return their unemployment benefits because they may not have been working or looking for work "	KQED
21	'New EDD fraud Scam targets those who haven't applied for unemployment benefits.	ABC 10 YouTube
January, 2022		Sac County DA Office
6	'\$2.75 Million EDD Fraud Scheme Unveiled	
13	'EDD wants its jobless money back. But some can't pay.	CalMatters
29	EDD director out after years of pandemic fraud that cost the state billions – EDD will have its third Director in 2 years	KCRA
February, 2022		
2	"Unemployment departments in all 50 states -- including California's Employment Development Department -- are asking Congress not to make workers' pay back benefits they received by mistake during the pandemic." This would be about 1 million Californians.	ABC 7 News
4	'Another wave of fraud: Many Californians in limbo as EDD freezes disability accounts'	KCRA
May, 2022		
15	Identity theft and other sophisticated criminal schemes contributed to potentially \$163 billion in waste, while inflicting harm on unwitting victims.	Washington Post
June, 2022		
22	"A billion dollars in fraudulent money paid out by California's Employment Development Department has been recovered."	KCRA

27	Contra Costa jails were a hotbed for EDD fraud.	The Mercury News
July, 2022		
5	EDD fraud 2 years and counting: Criminals still stealing identities to cash in on benefits.	KCRA
7	EDD rapper pleads guilty to fraud and posting a music video showing how easy it was to defraud EDD.	KCRA
14	“The federal government on Thursday fined Bank of America \$225 Million for “botching” its handling of unemployment funds during the pandemic. It also ordered the bank to pay millions of workers.”	NBC Bay Area
20	‘COVID-19 Fraud Enforcement Task Force cracks down on pandemic-related fraud.’	Fox Rothchild Attorneys at Law
August, 2022		
8	The LAO releases scathing report on EDD’s UI Program and suggests ways to fix the failing department after delaying payment to 5 million Californians and improperly denying another million valid applicants.	LAO CBS
9	“EDD’s staff approved many fraudulent claims for special federal benefits, resulting in more than \$18 billion being paid to fraudsters, including some inmates in state prisons.”	CalMatters
26	“EDD is launching a \$136 million modernization program beginning this year. But old systems are still in place.”	ABC 7 News
September, 2022		
1	‘EDD battle against disability fraud blocks pay for Bay Area dad with deadly cancer’	ABC 7 News
21	Lexis Nexis data analysis says UI, disability and other fraud at \$32.6 billion and could be higher	KCRA
22	“The OIG has repeatedly reported significant concerns with DOL and SWAs’ ability to deploy program benefits expeditiously and efficiently while ensuring integrity and adequate oversight.”	SJV Sun Office of the Inspector General

***Note:** All non-hyperlinked ‘KCRA 3’ sources were derived from the [KCRA EDD Backlog timeline](#).
All other non-sourced data was derived from Senate Republican Office of Policy documents.