

EXHIBIT 2

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(Declaration of Kimberly Gaa)

1 DECLARATION OF KIMBERLY GAA

2 My name is Kimberly Gaa, and I currently work in the Nevada Department of
3 Employment, Training, and Rehabilitation (DETR) as the state’s Administrator for the
4 Employment Security Division (ESD). I have held this position since August 16, 2019. In
5 this position, I am the referenced statutory officer as indicated under NRS 612¹. This
6 position includes administrative authority and responsibility for three key components of
7 services within ESD, unemployment insurance compensation program(s), workforce
8 services program(s), and post-secondary education program(s). These programs are state
9 subsets of the Federal Department of Labor -Employment and Training Administration,
10 and the Department of Education - Office of Post-Secondary Education. For the purposes
11 of this declaration, I am referring to my administrative capacity over state unemployment
12 insurance compensation program(s), *etc.* Immediately prior to my role as ESD
13 Administrator, I was the Administrator over the Information Development and
14 Processing Division for DETR from February 2017 until mid-August 2019. This position
15 is typically referred to as the Chief Information Officer (CIO) for Information Technology
16 (IT) responsible for DETR’s technological systems and infrastructure, plus related IT
17 personnel, contracts and technical support services for the department. I started with
18 DETR in the unemployment insurance program in August of 2012. I was one of several
19 mid-level managers at the unemployment insurance program call center until May 2014,
20 when I was promoted to another position with the Rehabilitation division of DETR. My
21 background with DETR has been varied, but is foundational in the unemployment
22 insurance program administration.

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24 ¹ NRS 612.016 “Administrator” defined. “Administrator” means the Administrator
25 of the Division.
26 (Added to NRS by [1993, 1804](#));
27 NRS 612.049 “Division” defined. “Division” means the Employment Security
28 Division of the Department of Employment, Training and Rehabilitation.
(Added to NRS by [1993, 1804](#))

1 This tenure included management of teams at the call center during the 2013
2 launch of the current UInv online filing system. I am familiar with the technology of this
3 system to the degree that supports later statements in this declaration that are relevant
4 to the case in timing for executing the CARES Act programs.

5 For additional support of my statements later in this this declaration it is relevant
6 to know my most recent background in public service in both Nevada and Washington
7 State. I have held various positions in law enforcement as a certified Category I Peace
8 Officer in Nevada from 1998 to 2002 and in Washington state as a Category 2 Peace
9 Officer equivalent in Washington State until mid-2007, these include in investigations
10 and parole/probation. Because of this prior experience I have particular background and
11 training related to various types of fraud and identity crimes, among others. I also served
12 on the Nevada Criminal Justice Information Systems (Technology) Steering Committee
13 from 2009-2011, when I left the Elko County Sheriff's Office in favor of a position with the
14 Department of Public Safety, then Records and Technology Division. This position I held
15 immediately preceding my tenure with DETR. I feel this background coupled with my
16 broader knowledge of the Nevada unemployment insurance program and systems makes
17 me uniquely qualified on matters regarding unemployment insurance particularly as they
18 relate to administration, fraud, and technology in this program.

19 On Thursday March 12, 2020, DETR-ESD, started to receive unemployment insurance
20 program letters guidance from the Department of Labor regarding the administration of
21 unemployment compensation and COVID-19 implications to the program. This
22 particular UIPL indicated that the DOL was actively working on providing guidance to
23 the, ² *"states to ensure they have the guidance needed about UC flexibilities related to CO*
24 *VID-19 in order to assist individuals affected by the disease."*

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26 ² UIPL 10-20; https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8893
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1 The guidance goes onto describe the first instances of defining expectations for the states
2 related to eligibility flexibilities related to mainly temporary layoff situations, employer
3 charging relief, elimination of waiting week for benefits, and the leveraging of short-term
4 compensation for the states to consider under flexible interpretations as allowed within
5 given state law parameters. Note at this point there was not information that provided
6 any information for workers outside the regularly insured group of workers in the US
7 under unemployment compensation law and guidance. This happened to be the same day
8 as the declaration of emergency by Governor Sisolak³ and subsequent announcements in
9 the press conference the next day. That Saturday, March 14th , I submitted to then
10 Director Tyler-Garner a continuity of operations plan for ESD to address the shut-down
11 of direct public services changes that had to immediately go into effect based on the
12 Governor's declaration of emergency and subsequent shut down orders of schools, nursing
13 homes and then non-essential businesses to direct public access in Nevada. This included
14 outlined information regarding the remote access for technology systems and the need to
15 immediate expansion of hours for public access to the UI call centers, plus addressing
16 staffing expansion for unemployment insurance. This outline was immediately started to
17 role out that same weekend and standing status calls established with the ESD
18 management team was starting Monday, March 16th at 8:15am. On March 15th we
19 received notice of follow-up guidance under UIPL 10-20, Change 1 regarding the

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21 ³ Governor Sisolak Emergency Declaration; [https://nvhealthresponse.nv.gov/wp-](https://nvhealthresponse.nv.gov/wp-content/uploads/2020/05/Declaration-of-Emergency-re-COVID.pdf)
22 [content/uploads/2020/05/Declaration-of-Emergency-re-COVID.pdf](https://nvhealthresponse.nv.gov/wp-content/uploads/2020/05/Declaration-of-Emergency-re-COVID.pdf)

23 ⁴ UIPL 10-20, Change 1: https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8879

24 ⁵ UIPL 13-20: https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=7714

25 ⁶UIPL 13-20, change 1: [https://wdr.doleta.gov/directives/attach/UIPL/UIPL_13-](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_13-20_Change_1.pdf)
26 [20 Change 1.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_13-20_Change_1.pdf)

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1 interpretation of “between and within terms” as it relates to educational institutions and
2 covered employees⁴. Further substantive guidance from DOL regarding COVID effected
3 UI policy updates wasn’t received until UIPL 13-20⁵ was issued on March 22nd. This
4 UIPL provided info regarding additional administrative funding for the states for UI
5 operations. UIPL 13-20, change 1⁸ was not received until May 4th, with noted criteria and
6 thresholds the states needed to meet to pull down the funding, and state emergency
7 flexibilities due to the declared state of emergency. This included reminders that states
8 provide to employers, two modalities of access for filers (phone and on-line in Nevada),
9 and notification to applicants that a UC application was received, and information on
10 steps to move applications for benefits to completion.

11 Between the announcement of the emergency closures in March and the April 1st,
12 no additional guidance related to UI benefits operations was received by the states that
13 outlined any further program details. Between March 15th and the week ending April 4th
14 Nevada saw a tsunami of standard UI claim filing that equated to multiple years of work
15 in a matter of weeks (see data provided by Chief Economist Dave Schmidt.

16 On Thursday March 27th, Congress passed the CARES Act⁷ authorizing benefit funding
17 for 3 noted specific programs and extensions:

18 **Section 2102: Pandemic Unemployment Assistance** – up to 39 weeks of benefits to
19 otherwise uninsured US workers whose job was affected by COVID-19 pandemic and
20 subsequent stay at home orders and business closures effective beginning the week
21 starting March 29th through December 2020.

22 **Section 2104: Federal Pandemic Unemployment Compensation** – additional \$600
23 of benefits for qualifying underlying program beneficiaries in either traditional
24 Unemployment Insurance programs or Pandemic Unemployment Assistance start
25 beginning the week starting March 29th through July 25th in Nevada based on NRS
26 612.195 ⁸ benefit week and defined by NAC 612.0169.

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1 **Section 2017: Pandemic Extended Unemployment Compensation** – up to an
2 additional 13 weeks of additional benefits upon the exhaustion of standard
3 unemployment compensation within the states.

4 On Saturday, March 28th I signed the documents with the DOL to enter into an
5 agreement to accept funds from the CARES act for the aforementioned sections of
6 benefits for Nevadans. Monday, March 30th the DETR executive team for ESD along with
7 IT, the Director, Deputy Director, and DETR CFO convened to discuss potential options
8 for building out the technology in our UInv system to accept, process, pay, appeal, and
9 collect overpayments for PUA. We additionally discussed other interrelated technology
10 projects that the DETR IT staff were actively working. It was discussed at that meeting
11 that the ability to implement all three major CARES Act sections may not be possible in
12 the truncated timeline that DETR was trying to meet. The hope was to have
13 functionality within 30 days for all CARES Act benefits. Essentially, IT indicated that
14 there were not sufficient trained resources, nor would the structure of the current UInv
15 system support multiple manipulations and continue to maintain stability as it had for
16 the last couple weeks. In order to serve and connect as many Nevadans as possible to
17 benefits, we needed to minimize system downtimes as there were already complaints
18 from the public about access limitations. Analysis of technical options continued that
19 week and included meetings with several vendors that could possibly provide staffing
20 augmentation and technology modules for supporting processing of claims.

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23 ⁷ CARES Act: <https://www.congress.gov/bill/116th-congress/house-bill/748>

24 ⁸ **NRS 612.195 “Week” defined.** “Week” means such period of 7 consecutive calendar
25 days as the Administrator may by regulations prescribe. [2:129:1937; renumbered
26 2.15:129:1937, 1945, 299; 1943 NCL § 2825.02] — (NRS A **1993, 1807**)

27 ⁹ **NAC 612.016 “Week” defined.** (**NRS 612.195, 612.220**) “Week” means a period of 7
28 consecutive calendar days beginning at 12:01 a.m. Sunday and ending at midnight
Saturday in the Pacific time zone. (Added to NAC by Employm’t Security Div. by R094-
00, eff. 10-18-2000; A by R199-05, 2-23-2006)

1 During this same period through March 16th – April 10th DETR ESD moved teams of
2 staff from other units within ESD to start augmenting both call center staff taking calls
3 and adjudication staff. We additionally started adding other staff outside of ESD to
4 augment UI in various capacities. During the weeks of April 2nd and April 10th, DETR IT
5 and UI technical support staff began work in earnest, to stand up the most immediate of
6 the CARES Act with the addition of the \$600 dollars for Federal Pandemic
7 Unemployment Compensation (FPUC) that was in effect on March 29th. There was code
8 in our current UInv system that we were able to reuse and adjust to accommodate the
9 additional \$600 FPUC benefit payments. This took about 10-12 days to be functional.
10 There is more below on this deployment.

11 On April 2nd, DOL issued UIPL 14-20⁹, outlining the basics of the sectioned CARES
12 Act. Page 2 of the UIPL ends the 1-page summary of the act with information regarding
13 the “Importance of Program Integrity”, for 4 paragraphs, before outlining the Act’s
14 provisions. Page 6 specifically outlines the coordination of program requirements
15 indicating that anyone “...who is eligible for regular UC...must first apply for and receive
16 regular UC.... dependent on state law.” The order outlined in the UIPL states:

- 17 1) Standard State Unemployment Compensation (UC or UI) – up to 26
weeks
- 18 2) Pandemic Emergency Unemployment Compensation (PEUC) – up
to 13 weeks
- 19 3) State Extended Benefits (EB or SEB) – up to 13 weeks in Nevada
- 20 4) Pandemic Unemployment Assistance (PUA) – up to 39 weeks; for
21 those that have exhausted UC/PEUC/SEB or are ineligible for
standard UC and meet the COVID

22 ⁹ UIPL 14-20: https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3390

23 effected reasons for lack of work may collect PUA. (Note: the guidance specifically
24 states ‘*may*’ in order to differentiate from an entitlement program such as welfare
25 since a determination of eligibility is required)

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1 5) Federal Pandemic Unemployment Compensation (FPUC) – Page 7.
2 Section iii. “provides for an additional \$600 per week to an individual
3 collecting regular UC, PEUC, PUA, EB, STC, TRA, DUA, and SEA.
4 Individuals receive FPUC payments concurrently with payments
5 under these programs.” The duration of these funds ends the last full
6 week in July 2020, previously cited. (Note: that these funds are paid
7 concurrently with the underlying program and are not independent)
8 Our first conversation with Geographic Solutions on providing a
9 module for PUA claim filing occurred the week of April 10th. By end of
10 the week of April 11th we had more than 250K people filing for UI
benefits in Nevada and it was still rapidly climbing.

11 Saturday, April 4th, UIPL 15-20¹⁰ was received outlining the first specific details
12 regarding the CARES act. This guidance specified on page 2 those programs that the
13 FPUC dollars would be authorized for (UC/PEUC, PUA, etc.), program dates from when
14 the benefits could be paid from and through, specifics for administrative funding for
15 implementation of the program, plus implementation and operating instructions for
16 FPUC. Note that on page 3, section c. it highlights the voluntary agreement between the
17 state(s) and DOL to administer the CARES Act programs.

18 Page I-1 and I-2 refer to the requirement for eligibility for FPUC is interdependent
19 of other UC program eligibility, I-1, C. Operating Instructions. 1. Eligibility for FPUC...
20 “FPUC is payable to individuals who are otherwise entitled under state or federal law to
21 receive regular UC,...UCFE,...UCX. FPUC is also payable to individuals receiving the
22 following FPUC is also payable to individuals **receiving** the following unemployment
23 compensation programs: PEUC, PUA, EB, Short-Time Compensation (STC), Trade
24 Readjustment Allowances (TRA), Disaster Unemployment Assistance (DUA), and
25 payments under the Self-Employment Assistance (SEA) program.” (emphasis added)
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27 ¹⁰ UIPL 15-20: https://wdr.doleta.gov/directives/attach/UIPL/UIPL_15-20.pdf
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1 Sunday April 5th, DOL released UIPL16-20 outlining details related to program
2 requirement regarding Pandemic Unemployment Assistance (PUA). Page 3 of the UIPL
3 provide the details regarding eligibility for PUA, with multiple references to the
4 underlying basis for PUA, Disaster Unemployment Assistance (DUA) throughout the
5 guidance. Attachment I of the guidance provides the substantive operating instructions
6 for PUA including details on defining the criteria for eligibility, exhaustion, dates for the
7 program, state agreements with DOL and the termination of the PUA agreement criteria.
8 It is important to note that section 5 of attachment I specifies the termination of the
9 agreement may occur if, “The Department [DOL].... determines... the State is not
10 adequately ensuring that individuals receiving benefits under the PUA Program are
11 eligible for such benefits.” This exert clearly indicates that DETR ESD must complete
12 steps to support individual program eligibility as outlined in Attachment I 1. Items a-k
13 and determine if people are not eligible, (section inclusive). This included details about
14 self-certification process on page I-6. This language stated that the state must make it
15 plan that filers acknowledge that they could be charged with perjury and intentional
16 misrepresentation could be treated as fraud and filers could suffer criminal penalties.
17 The caution continued to the states on top of section I page 7 states, “States are also
18 required to take reasonable and customary precautions to deter and detect fraud, such as,
19 for example, a random audit of a sample of claims to detect fraud.”

20 On April 10th the DOL published guidance letter UIPL 17-20¹² providing guidance
21 to the state regarding implementation of Pandemic Emergency Unemployment
22 Compensation (PEUC). The program provides 100% federal funding for extension of
23 benefits for 13 additional weeks after the exhaustion of regular UC, but before state
24 extended benefits (EB/SEB) payment. This program took effect the week starting March
25 29th as the other sections of the CARES Act.

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27 ¹¹ UIPL 16-20: https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20.pdf

28 ¹² UIPL 17-20: https://wdr.doleta.gov/directives/attach/UIPL/UIPL_17-20.pdf

1 The extension of benefits was similar to extended benefits offered to UC filers
2 during the Great Recession, however substantial technical changes to the UInv system
3 code were required by DETR IT resources. Efforts to recode the system to accommodate
4 this requirement were more complex than the system changes needed for FPUC. It
5 required multiple weeks of coding and testing to make functional in UInv. More later on
6 the launch of this code into the system. As of April 10th, the agency had been provided
7 the basis for all three pieces of the CARES Act in order build out the functionality in
8 UInv and to provide to a selected vendor for PUA.

9 On Saturday April 12th, code was launched into UInv in order to accommodate
10 FPUC payment disbursements to UC filers. Beginning Sunday April 13th, filers receiving
11 underlying UC weekly benefit payments of \$1 or more began to receive the additional
12 \$600 per week for eligible weeks filed back to the week of March 29th. The first pay file
13 ran for 26 hours, from Sunday at 12:01am through until Tuesday morning, as a result of
14 all the stacked weeks for hundreds of thousands of payments for multiple weeks. This
15 resulted in catch-up pay files for the next week to ensure that all weeks of payout had
16 been processed for FPUC funds. Staff worked to reconcile the pay file jobs late into the
17 evenings as they ran late and very early in the morning to make sure the ACH files
18 released at the earliest possible moment upon reconciliation. During this same time
19 period we started discussions with our State Controller's Office and State Treasurer's
20 Office regarding the processes for multiple ACH files for multiple programs, draw
21 requirements from different federal funding sources and for check writing capabilities as
22 Bank of America had already run out of debit card stock once (for about 4 days) due to the
23 hundreds of thousands of people filing for benefits. These issues were remedied swiftly in
24 cooperation with the Controller, Treasurer and Wells Fargo and Bank of America.

25 For weeks April 13th through April 27th several decisions were made to continue
26 work to standup the PUA program and technical functionality for Nevada to be able to
27 begin to take claims for this program. On April 14th the Governor and I both announced
28 that DETR ESD was opening a separate call center for PUA filers. DETR ESD formally

1 announced in a press release that Alorica call center had been contracted, under
2 emergency procurement contract provisions of NRS 333, to start taking general questions
3 related to stimulus dollars and general UI questions (not claim specific). The call center
4 was live by that weekend. This information was also provided in an interview on April
5 16th. DETR ESD and IT had additionally started working on interface requirements
6 with our current vendor for our workforce platform, Geographic Solutions Inc. (GSI) to
7 complete a scope of work to standup the technology for PUA. The interfaces are required
8 for both identity verification with the Social Security Administration and to verify
9 standard UC eligibility in our UInv system. Both are required to determine appropriate
10 measures for program integrity as in the previously mentioned UIPLs. During this same
11 period contracts were scoped for a new phone system to replace the old DETR phone
12 system, contract was signed and approved by the Board of Examiners (BOE) on April 23rd
13 for both the Alorica call center and Arisant for completion of password self-recovery reset
14 capabilities for UInv.

15 A staffing plan was written to submit to the Governor's Finance Office for creation
16 of 147 full-time positions to augment existing staff for direct and indirect UI services and
17 administration. An emergency contract scope of work was finalized the week starting
18 April 27th for the technical PUA claims system with GSI, under emergency procurement
19 contract provisions of NRS 333, and referenced by the Director Korbolic at the Interim
20 Finance Committee meeting on April 30th. This week included multiple meetings with
21 GSI during to get all specification for the PUA system in order to have testing
22 environments set up for DETR staff to work directly with the vendor to set a launch date
23 of the PUA system.

24 From April 27th though May 10th , UIPL's 18-20 through 22-20 were issued, these
25 next set of guidance were received from DOL on the CARES Act regarding: fund
26 disbursements for Section 2103 of the CARES Act, governmental entities as employers,
27 and federal funding proportions for paying of SEB, funding of the first week of UI by
28 federal funding (often referred to as the wait week), benefit accuracy measurement (BAM)

1 and improper payment information (IPIA) reporting, short term compensation provisions
2 and guidance (STC). For the purposes of this action this guidance does not appear
3 substantive to the specifics of this case. However, on April 27th DOL issued the UIPL 16-
4 20, Change 1¹³ providing detailed changes to the program administration for the CARES
5 Act section 2102 – PUA. This information clarified the program order of payment
6 previously established above, notification of possible program eligibility for PUA if not
7 eligible for standard state UI, and labor attachment for filing for PUA, page I-3 question 7
8 – Q&A, question 10 specifies sending financial (monetary) eligibility and continued
9 eligibility information, calculations of weekly benefit amounts, wage proof information,
10 and recalculation of weekly benefits, and which reported income (net verses gross) to base
11 the weekly benefit amount on and child support intercept. Section D. starting on page I-6
12 details eligibility requirements for initial PUA claims. Note that Question 26 indicates
13 that the state must determine if the filer has wages that require them to file for
14 traditional UC benefits. Question 27 calls to the attestation and notice regarding fraud.
15 Question 32 requires DETR to determine if they have satisfied prior disqualifications in
16 traditional UI before paying in PUA. Questions 38- 57 discuss specifics on determination
17 of COVID effected for eligibility, ongoing eligibility, fraud, appeals and financial
18 information and reporting for the PUA program. The breadth of this particular UIPL
19 spanned the entirety of the program and answered many questions needed to properly
20 configure our PUA system for launch.

21 During this similar period, though May 10th, DOL issued multiple change and
22 clarification guidance UIPL's for the various CARES Act programs. These included
23 significant clarification starting on May 4th with details for reporting for the Families
24 First Act dollars issued for the administration of pandemic.

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26 ¹³UIPL 16-20, Change 1: [https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-
27 20_Change_1.pd](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20_Change_1.pd)

1 From April 30th through May 14th, staff and our PUA technical vendor held multiple
2 meetings with program staff and technical staff in order to standup the PUA system.
3 From May 8th forward a series of press releases surrounding the additional functionality
4 for the remaining two CARES Act pieces PEUC and PUA are announced:

- 5 • May 8th - press release announcing GSI as the vendor for our PUA system.
- 6 • May 9th - code is released into our traditional UC system UInv on May 9th in order
7 to accommodate filers exhausting their standard UI claims and moving to PEUC
8 filing.
- 9 • May 13th there was a press release announcing the PEUC filing capabilities now
10 active in the system.
- 11 • On May 14th another press release was issued advising that DETR was launching
12 the PUA system on Saturday May 16th for taking applications and the payment
13 functionality would be launched the following Saturday May 23rd. These
14 announcements were also followed by posting of guides and fact sheets on our
15 website. This information was also included that Friday in the Governor's
16 newsletter. Additionally, on Friday May 15th Director Korbolic and I did a virtual
17 press conference announcing the go live the next morning and name EmployNV.
- 18 • On the morning of May 16th, we stood up the PUA application intake process. We
19 received 25K claim applications within the first 12 hours of the system being live.
20 By May 24th when we had 67K claim applications filed.
- 21 • On the morning of May 23rd, we launched the payment component of PUA system
22 EmployNV and the confirmed first payment into a filers bank accounts are May
23 27th
- 24 • May 29th DETR review the number for payout and has made payment to claimants
25 totaling more than \$2 billion dollars since March 15th business closures. To
26 provide perspective to this point we had only paid out \$6.75 billion in the UI trust
27 fund in its entire history.

- 1 • June 6th additional system functionality was launched in the system for PUA
2 payments

3 The remainder of this declaration talks at a very high level about guidance
4 regarding UC fraud, plus partnership and processes required due to the potential fraud
5 we saw early and continue to see to date in the PUA system. On April 22nd, all the States
6 were notified in an email from DOL Unemployment Insurance Administrator Gay Gilbert
7 that DOL Assistant Secretary John Pallasch had shared that the Office of the Inspector
8 General (OIG) had been provided \$26 million in funding to monitor UI systems and
9 processes regarding Families First and CARES Act dollars. Included in this was the
10 released OIG report describing program integrity concerns and cautions to the states. It
11 included history information from the Great Recession and the resulting audits outlining
12 the basis for the aforementioned concerns. It was stated that there were planned audits
13 for program integrity purposes and specifically that fraud deterrence, detection, and
14 prosecution steps would all be reviewed. Subsequently on June 8th the agency received
15 further communication regarding an alert memo from OIG regarding DOL guidance from
16 UIPL 16-20 and 16-20 change 1. This document indicated that DOL would,
17 “aggressive[ly] outreach.. to all states to curtail improper or fraudulent PUA claims.”
18 page 2 second paragraph, lines 7-8. It has been made plain to the states that efforts
19 must be made earnestly to address fraud.

20 Very early when we opened up for application filing May 14th through 23rd, we saw
21 numerous concerning things regarding the activities in the system. This included filings
22 that were not appropriate for the timeline and period required to complete applications,
23 known fraudulent identity indicators and various other fraud indicators. I cannot share
24 details in a public document in order to safeguard both the methods and practices
25 currently in use to deter and detect such fraud with ongoing claim investigations. I can
26 shared that all the steps being taken in regards to these indicators are based on
27 information shared throughout State and Federal law enforcement entities (FBI, OIG,
28 State Attorney General’s Office, our State Cyber Security Center) and the National

1 Association of Workforce Services Agencies (NASWA) Integrity Center, along with our
2 sister State agencies from other States and territories, plus our vendor GSI. All these
3 entities are nationally known and recognized subject matter experts and authorities on
4 fraud in unemployment compensation programs for various reasons. We have both
5 sophisticated algorithms and traditional hands on sleuthing occurring to rapidly
6 determine which claims can be released for payment with high confidence that they are
7 not fraudulent. We must take additional steps in order to verify the validity of vast
8 numbers of claims. This is complicated work that we are tasked and bound try and get
9 correct based on the afore mentioned guidance and information from DOL, and
10 subsequently the OIG. We currently are actively seeing a large surge in suspected
11 fraudulent filings since the filing of this lawsuit. These are vast numbers in the PUA
12 system, more than 100K to date. Additionally, the tactics of these fraudsters are ever
13 evolving. DETR and our partnered entities trying to combat this criminality are also
14 evolving to continue to be good stewards of public dollars and at the same time connect
15 hundreds of thousands of Nevadans to much needed unemployment compensation
16 benefits.

17 DATED: July 1, 2020.

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