

CABIA Comes Out Swinging Against Secretary of Labor Nominee Julie Su

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By [Jennifer Oliver O'Connell](#) | 8:00 PM on March 08, 2023

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The California Business and Industrial Alliance (CABIA) is once again taking the gloves off. Through resources to small business, information and advocacy campaigns, CABIA was instrumental in cutting the California Private Attorney General's Act (PAGA), which targeted small business owners with nonsense lawsuits, off at the knees. The organization went on high alert with President Joe Biden's announcement nominating Deputy Labor Secretary Julie Su to ascend to Secretary of Labor Secretary. On Wednesday, CABIA wrote a letter to the Chair of the House Subcommittee on Workforce Protections, California Congressman Kevin Kiley, expressing solidarity with Kiley's efforts to see this nomination stopped.

Today, the California Business and Industrial Alliance (CABIA) joined Rep. Kiley, members of the Subcommittee on Workforce Protections, members of the California Congressional Delegation, and countless freelancers in opposition to Julie Su for Secretary of Labor. Opposition to Su's nomination has continued to mount as her track record of mismanagement and targeting freelancers in California has come to light.

CABIA's letter to Kiley brings the receipts as only those who have firsthand knowledge of Su's handiwork could bring. President and Founder Tom Manzo wrote, in part:

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.

CABIA also alleges to have intel on Su's corrupt dealings before she became an employee of the state, and then federal government, and her mismanagement of the PAGA law.

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.

CABIA is further upping the ante by running a television commercial in the D.C. markets, criticizing Su's nomination. This ad will air on CNN, MSNBC, Good Morning America, and the TODAY Show.

The destruction of the engines of the American economy must stop, and the only way to staunch the bleeding and rebuild revenues is to take back the agencies intent on colluding with Labor unions and large corporations to shake down and eschew small business, entrepreneurs, and workers. Confirming Julie Su as Secretary of Labor would only be a continuation of the disastrous policies of the Biden Administration toward those ends, especially the implementation of the PRO Act. CABIA is working with Congressman Kiley and the House Subcommittee on Workforce Protections to see this nomination undone.

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