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**THE SENATE
STATE OF ARKANSAS**

TO: Senator Bill Pritchard, Co-Chair, Legislative Audit
Representative Troy Summers, Co-Chair, Legislative Audit

FROM: Senator Jonathan Dismang/ Representative Davy Carter

DATE: September 19, 2011

As you know, the United States Department of Labor recently released a report that declared that this state has paid \$161 million too much in unemployment benefits since July 2008. The report also states that, of this amount, \$50 million has been overpaid in this past fiscal year.

The report states that most of the overpayments have gone to workers who continue to receive benefits after securing employment.

This report is very disturbing since the unemployment-insurance trust fund, funded by Arkansas employers, has been under financial strain. The state borrowed \$360 million from the federal government to shore up this fund and is currently in the process of making payments on the loaned amount.

Because of this news, we are asking the Division of Legislative Audit to review how the State Department of Workforce Services is administering the unemployment-insurance trust fund and to prepare a special report regarding the fund and the functioning of the agency.

If you have any questions, please let us know.


SENATOR JONATHAN DISMANG


REPRESENTATIVE DAVY CARTER

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