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V.I. Dept. of Labor Has Received Over 4,000 Unemployment Applications With About 20,000 Expected As Coronavirus Fallout Hits Home

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Buccaneer Hotel on St. Croix laid off 179 employees as bookings plummeted because of stay-at-home restrictions. By. ERNICE GILBERT/ VI CONSORTIUM

Buccaneer Hotel has laid off 179 of its employees, which is almost the entire workforce. Limetree Bay contractors continue to make redundant hundreds — including 222 from construction company Elite. On St. Thomas, the layoffs are even more pronounced, representing more than half of the over 4,000 unemployment applications that have been filed as of Thursday with the VI Department of Labor.

And by the time the impact of the virus has truly been realized, over 20,000 Virgin Islanders will have filed unemployment applications because of the coronavirus pandemic, according to the V.I. Department of Labor. To get a sense of how dire this projection is, the territory's entire workforce who are part of the Unemployment Insurance system is 32,000, though a large number of claimants will be individuals who are not part of the UI system, among them the self-employed, gig economy workers, and others whose quarterly wages don't qualify them for regular unemployment.

In a wide-ranging interview with the Consortium Thursday evening, V.I. Department of Labor Commissioner, Gary Molloy, and V.I. D.O.L. Legal Counsel and Assistant Commissioner, Nesha Christian-Hendrickson, provided in-depth details on the impact that Covid-19 has had on the territory's workforce, the inundation of claims pouring into the department and the issues this has caused, and the steps the department is taking to make sure claims are filed quickly and residents start receiving payments as soon as possible.

First things first: File for Regular Unemployment Immediately

Labor officials said that while there are a number of federal programs that the department is working to bring online, the best way to get money quickly if you recently became unemployed is by filing for regular unemployment. To do this, applicants apply online, then within 72 hours they are contacted by a Labor representative who confirm with the claimant that their application was received. Thereafter, V.I. D.O.L. employees upload other Personal Identifying Information (PII) of claimants into the system. As of Thursday there were between 2,500 to 2,600 claims in process, said Mr. Molloy, who along with Ms. Christian-Hendrickson spoke candidly about the current archaic system that has slowed process of laid-off workers receiving unemployment benefits, and action the department has been taking to speed things up.

A slow process caused by an inundation of claims, old computer system and severe staff shortage

The V.I. Department of Labor from August 2019 has been working on a new computer system that is expected to propel unemployment operations into the 21st century. However completion of this system is expected by October — months away from the capacity needed now.

Just like states across the mainland, the V.I. Department of Labor has not been able to keep pace with the number of claim applications coming in. A staff shortage of 50 persons have also exacerbated the problem. The unique circumstances have prompted quick action from Labor officials, who have been repurposing V.I. D.O.L. staff and turning the Dept. of Labor into an "unemployment machine," while keeping other functions of the department operational, said Ms. Christian-Hendrickson. The department is seeking to bring aboard additional individuals from other government departments and agencies to help with the influx of claims, and has made essential some employees once deemed non-essential as part of the ramp-up effort.

Mr. Molloy said the department needs to get to the point where it is processing 200 claims per day because of the volume coming in. Currently, because of the staff shortage, about 30-50 claims per day territory-wide are being processed. As the staff shortage is mitigated, the numbers are expected to increase, the commissioner said.

He said while between 700-800 people were receiving unemployment benefits, most of those claimants were continuing beneficiaries and not post-coronavirus claims. "That [post-coronavirus] number is very low in terms of getting out. That's why additional staff is necessary to help with the workload," Mr. Molloy said.

He added, "Starting Monday we're expecting at least 20-plus more individuals to be able to come in to start being trained. Then the week after we're expecting another 18, so we're working it out with other government agencies for individuals to be able to come in, be trained and get to the process."

The commissioner said social distancing has also affected the speed in which the department moves. Considerations such as how many staff members will be allowed to telework, how to accommodate the additional staff members the department is expecting, and looking for an additional facility to house backend processes have all contributed to the slow pace.

The department's call center, which is currently an 8am-5pm operation, is expected to be active around the clock. The department is also working to eliminate language barriers for the Haitian-speaking community in St. Thomas, and Hispanics on St. Croix.

Even so, there are only 23 lines in the call center territory-wide, which are shared with the Labor Department's regular numbers. "It's very difficult to get us for any reason at this point," Mr. Molloy said, an admission that speaks to the level of claims being filed, and it's a problem that is being experienced in various parts of the US. In some states, [Labor Department websites have crashed under the weight of claims](#) being filed.

Currently, the V.I. D.O.L. system allows unemployment claimants to file online, which includes application submission and uploading of Personal Identifiable Information. However that system and the Dept. of Labor website's Unemployment Insurance system currently do not communicate, according to Mr. Molloy. Because of this issue, Labor officials have designated the department's Workforce Development arm to execute the effort by using the department's [VIEWS](#) system to securely upload the unemployment claims information into the department's network.

Because the VIDOL website's technology is very old, it takes between 90 minutes to 2 hrs to enter one claim. That's why after an online claim is filed, the department's Unemployment Insurance Division prints out the application so as to quickly enter the information manually into the UI system. "We're still working on getting that electronic part to work, so we have programmers since August 2019 that are continuing to work on having the system automated," Mr. Molloy said.

"What the ultimate goal of this system is, is to be able, if for any reason we are down, then our claims could be taken by another location and another state to be able to help and continue the process. When we finally get there it will be a system that's going to help with all the automation and help us long-term in the event of any disaster," the commissioner said.

Initially, Labor officials were estimating that just over 12,000 claims would be filed. However, with the additional provision for the self-employed and those whose quarterlies are insufficient for regular unemployment now being eligible under the new federal programs, the department is expecting 20,000 claim applications.

Federal Pandemic Unemployment Programs

"What Congress has tried to do is that if people really can't get back to work, that there are sufficient programs in place so people could continue receiving some kind of compensation until they are able to get back to work," stated Ms. Christian-Hendrickson, who made known that the federal unemployment programs are not yet available in the USVI. She said the U.S. Dept. of Labor had sent about 400 pages of laws along with another 300 pages of explanation of said laws that must be understood before implementation. "For the last few weeks we have been furiously

trying to implement that, so in the next couple of weeks a lot more will go out from us,” she said.

Federal programs coming online in the next few weeks:

- **Pandemic Unemployment Assistance:** That’s the program for the self-employed, along with those who don’t have sufficient quarters and wages in the system to produce a claim, along with other issues that prevent them from qualifying for regular unemployment benefits.
- **The Federal Pandemic Unemployment Compensation:** This program provides \$600 on top of the regular benefits. Those who qualify will receive \$600 per week for 4 months on top of their regular unemployment benefits. (This program started on April 5 and ends July 31, 2020. The program is also retroactive, so though the program is not yet available in the USVI, those who qualify will get the funds for the entire four months).
- **Pandemic Emergency Unemployment Compensation:** This program provides an additional 13 weeks — beyond the 26-week limit — for those persons who would have exhausted the 26 weeks of unemployment and had yet to find a job. If you are still unable to get a job, there’s another 13 weeks of unemployment on top of the extra 13 weeks for those who qualify, Ms. Christian-Hendrickson said.

Because these programs are weeks away from implementation, Mr. Molloy said the gateway to start receiving benefits is for laid-off workers to apply for the regular unemployment benefits first and immediately. He stressed that additional programming will need to be performed on the Labor Department’s system to accommodate these new programs.

Furthermore, Ms. Christian-Hendrickson said the new programs have very specific language for qualifications and only people who qualify will be eligible to receive benefits. If persons who qualify initially are found to have gamed the system, they will be prosecuted and will have to pay back the money, Ms. Christian-Hendrickson warned.

Has your employer made adequate quarterly payments into the V.I. D.O.L. system to cover your unemployment benefits?

While some employers have been paying unemployment wages for their employees into the Labor Department’s system, not all have been fully compliant. This may lead to delayed unemployment payments to some laid-off workers, and therefore Mr. Molloy encouraged all businesses that have yet to fully make payments into the system to do so immediately.

“It’s going to delay you getting a check,” Commissioner Molloy said. “Because we have to check and cross check to ensure wages for those particular quarters were in fact paid into the system.”

Employers are taxed by the Dept. of Labor based on the wages of their employees, and that generates a pool, said Ms. Christian-Hendrickson. Employees don’t put anything into the system; this particular system is based on the funds that employers are taxed on. Therefore, if an employer has not provided accurate data on its employees to provide a true picture on how much this employer needs to be taxed, then employees who have been laid off could see the unfortunate outcome of having their payments delayed.

“That’s why you’re hearing me ask and make the plea to please make sure that your quarterlies are up to date,” Mr. Molloy said, referring to businesses. “It’s important that you get your quarterlies in timely. Because if, in fact, it is not, you’re looking at a situation where somebody that really needs the unemployment payments that was your employee before they were our client, won’t be

able to get access to the benefits as quickly as possible. And so with this influx of claims, then rather than getting it out within a two to three-week period, you're looking at that application now has to be put on the side until additional documentation is made," Mr. Molloy said.

He said a lot of employers are doing the right thing. However, there are those employers who, for example, may have 15 employees but their quarterly payments only show 10 employees — leaving the remaining five who may seek unemployment benefits in a bad place.

"We're seeing those kinds of situations," Mr. Molloy said. "We're also seeing that there are some employers that have not even registered with our system. And we're now in the mode of addressing that as well."