



Labor & Employment Issues Client Alert

Pitta LLP
For Clients
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GOOGLE TO HELP NEW YORK PROCESS UNEMPLOYMENT CLAIMS; SBA CONTINUES TO CRASH FROM PPP APPLICATIONS

The record number of New Yorkers applying for unemployment insurance benefits because of the COVID-19 pandemic has overrun the system, causing frequent computer crashes, dropped calls and long wait times to speak to call takers.

To provide faster assistance to unemployed New Yorkers, the Cuomo administration announced that it has expanded the number of web servers to 50 from 4, hired an additional 300 employees to take calls – atop of the 700 it recently hired. Also, it is working with Google to develop a new website with a better interface. Melissa DeRosa, secretary to Governor Andrew Cuomo said that the new website should be operating this week.

In addition, the Cuomo administration is experimenting with an alphabetical system by applicants' name. Under the schedule last names beginning with: A through F apply on Monday; G through N apply on Tuesday and O through Z apply on Wednesdays. Applicants who miss their days can apply from Thursday through Saturday.

The Paycheck Protection Program (“PPP”) which was introduced on April 3 has caused significant computer crashes to the Small Business Administration (“SBA”). The PPP is a \$350 billion small business loan program that was a part of the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. Loans may be forgiven if the small businesses keep paying their workforce.

Lenders have experienced significant technical problems since the PPP program went into effect. They have cited frequent computer crashes connected to the SBA’s “E-Tran” system used to authorize the loans along with high demand for the PPP loans. SBA has stated that the system is up and running and that they continue to process, approve and guarantee billions of dollars of loans per hour.

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