

DEVIN LEMAHIEU SENATE MAJORITY LEADER

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Contact: Senator Devin LeMahieu

Shocking UI Audit Reveals DWD Continues to Fail Wisconsinites

"DWD did not comply with federal regulations, harming displaced workers for nearly a year."

Madison – Today, Senate Majority Leader Devin LeMahieu (R-Oostburg) issued the following statement in response to release of the Legislative Audit Bureau (LAB) regular <u>audit on Fraud, Waste, and Mismanagement Hotline</u> on Friday which details the Department of Workforce Development (DWD) failure to comply with federal Unemployment Insurance (UI) regulations:

"In the spring of 2020, hundreds of thousands of Wisconsinites lost their jobs in the wake of government shutdown orders. Today, another shocking legislative audit reveals Governor Evers and DWD not only failed to anticipate and effectively respond to the emergency needs of families in 2020 but have failed to comply with federal regulations for timeliness for nearly a year."

According to the LAB Audit, DWD under <u>former Secretary Caleb Frostman</u> and current <u>Secretary-designee Amy Pechacek</u> did not comply with federal regulations to issue appeal decisions in a timely manner from June 2020 through May 2021. The federal government requires 80 percent of appeals be resolved within 45 days. Wisconsin DWD met this threshold in only 17.5 percent of cases.

"Our neighboring states were able help struggling residents in their time of need. Both Illinois and Minnesota issued timely appeals decisions in over 70% of cases. Wisconsin DWD's 17.5% compliance is an embarrassment, and worse, has harmed people struggling to deal with the negative effects of government shutdowns."

DWD's average time to issue a decision on appeal is 67 days – twenty-two days longer than what the federal government allows. More than 14,500 Wisconsinites are still awaiting an appeal decision from DWD adjudicators. The appeals process takes place outside of any automated system.

"Governor Evers and his DWD appointees are in shambles and the people of Wisconsin are victims of a pattern of mismanagement and failed leadership. For over a year, multiple Evers appointees have disastrously botched the delivery of relief when people needed it most."

Legislative Audit Bureau: Unemployment Insurance Administration

Legislative Audit Bureau: Full Fraud, Waste and Mismanagement Hotline Audit

Senator Devin LeMahieu represents the 9th Senate District, which includes portions of Sheboygan, Manitowoc, and Calumet Counties. He serves as Majority Leader for the Wisconsin State Senate.