

**WISCONSIN LEGISLATIVE AUDIT BUREAU
LETTER REPORT SUMMARY**



December 2002

SANCTIONING OF WISCONSIN WORKS (W-2) PARTICIPANTS

We have completed follow-up to our audit of the Wisconsin Works (W-2) program (report 01-7), as first requested by Senator Moore. Specifically, we reviewed the processes used by the Department of Workforce Development and W-2 agencies to sanction W-2 program participants.

We reviewed statewide data on sanctions issued by W-2 agencies and found that the overall rate at which participants are sanctioned has declined from 31.4 percent of the statewide caseload in October 1999 to 20.0 percent in October 2002. However, Milwaukee County W-2 agencies continue to sanction at rates higher than other agencies.

The Department has taken reasonable and appropriate steps to remedy problems associated with the inappropriate sanctioning of W-2 participants. However, a significant number of errors persist. For example, although W-2 agencies identified 614 inappropriately sanctioned cases from September 1997 through March 2001 that resulted in underpayments of \$115,792, we estimate that W-2 agencies made errors in assessing the appropriateness of sanctions imposed for an additional 127 cases, which also resulted in underpayments. Furthermore, we estimate that sanction policy was applied incorrectly without resulting in underpayments for an additional 320 cases. The timeliness of W-2 agency reviews of inappropriate sanctions is also a concern. We found that W-2 agencies had not yet reviewed 168 of the 263 potentially inappropriate sanctions issued since April 2001; half of these were issued before November 2001.

We have included a series of recommendations to address the ongoing problems we identified, including a recommendation for the Department to report to the Joint Legislative Audit Committee by May 1, 2003, on its progress in addressing these concerns.

[full report, PDF file \(90KB\)](#)