

WISCONSIN LEGISLATURE

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For Immediate Release: April 21, 2022

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Governor's Veto Leaves Unemployment Insurance Program Vulnerable to Fraud

Madison – Representative Warren Petryk (R- Town of Washington), Chair of the Workforce Development Committee, and Representative James Edming (R- Glen Flora), Chair of the Assembly Labor and Integrated Employment Committee, sent a letter to the Department of Workforce Development Secretary-designee Pechacek today requesting data surrounding actions taken to prevent fraud during the pandemic in the Unemployment Insurance (UI) program and other items after Governor Evers vetoed legislation to authorize a non-partisan audit of the UI program.

"As businesses recover from the pandemic, the Legislature has been proactive in keeping Unemployment Insurance taxes low for our local businesses," said Representative Petryk. "That is why we were disappointed that the governor chose to veto a non-partisan audit of the unemployment insurance system which would have gotten to the bottom of how much taxpayer money was paid out in fraud."

Last week, Governor Evers vetoed <u>Assembly Bill 938</u>, which would have made several common-sense reforms to improve Wisconsin's UI program efficiency and integrity. This bill was modeled after best practices in other states while also incorporating recommendations from the US Department of Labor to help prevent fraudulent claims during the pandemic.

"Despite this governor's veto of common-sense legislation, we will continue to be proactive in finding solutions to restore integrity to Wisconsin's unemployment insurance system," said Representative Edming. "That is why we are hoping they will provide answers to other questions, including why there were zero cases of criminal prosecution for UI fraud by the Attorney General's Office. While other neighboring states take this issue seriously, it appears that this administration is either asleep or choosing not to make combatting fraud a priority."

The letter that was sent requests additional information including how many fraudulently filed unemployment claims were paid since January 27, 2020, and how much these payments were for; all information that DWD has failed to produce following previous requests. The letter also requests information as to why DWD forwarded zero cases for criminal prosecution for UI fraud in 2021. Additionally, the Representatives are requesting DWD to follow state law and provide how many work search audits were performed and what their results were.

A copy of the letter can be found here.