

**BRIEFING SHEET**Report 20-1
January 2020

State Auditor

[Joe Chrisman](#)**Fraud, Waste, and Mismanagement Hotline***Semiannual Report: July through December 2019***Background**

As required by s. 13.94 (1) (br), Wis. Stats., the Legislative Audit Bureau operates a toll-free hotline (1-877-FRAUD-17) that allows the public and individuals within state government to confidentially report alleged fraud, waste, and mismanagement. Callers may remain anonymous, and the statute governing the hotline specifically requires us to protect their identities even when other information related to calls is made public. A secure online form is also available to report concerns.

Summary and Key Findings

From the inception of the hotline and through December 31, 2019, we have received 1,164 reports. From July 1, 2019, through December 31, 2019, we received 31 reports. We highlight findings related to selected reports that we resolved, including:

- compliance by a technical college with statutory requirements in processing a student's tuition refund request;
- appropriate monitoring by the Department of Health Services (DHS) of a contractor that administered a Medical Assistance program call center, including sanctioning the contractor nearly \$873,000 for call center performance issues that occurred from April through August 2019;
- a lack of policies requiring sufficient documentation of hours worked by DHS employees also engaged in outside employment;
- tax information incorrectly completed by the Department of Employment Trust Funds (ETF) for certain wellness incentive payments for program participants;
- \$68,900 in excess utility payments made by the Department of Corrections from December 2010 through June 2019 for electricity used by two privately owned cellular antennas located on top of a leased building; and
- noncompliance by the Department of Administration (DOA), Department of Natural Resources (DNR), and the University of Wisconsin (UW) System with all statutory requirements in administering and executing lease agreements with state employees who resided in state-owned properties (report 19-26).

Recommendations

We recommended:

- DHS develop policies that require documentation of sufficient leave or hours worked when employees are engaged in outside employment;
- ETF ensure it obtains appropriate wellness incentive data used for preparing accurate tax information for participants; and
- DOA reassess its practices, increase oversight, and comply with statutory requirements in administering state-owned residential properties. We further recommended that DNR and UW System improve management of lease agreements each executes with state employees and comply with DOA policies.

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