STATE OF WISCONSIN
Legislative Audit Bureau
NONPARTISAN • INDEPENDENT • ACCURATE

Report 26-07
July 2026

Fraud, Waste, and Mismanagement Hotline

Semiannual Report: January 2026 – June 2026

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Legislative Audit Bureau

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The Legislative Audit Bureau supports the Legislature in its oversight of Wisconsin government and its promotion of efficient and effective state operations by providing nonpartisan, independent, accurate, and timely audits and evaluations of public finances and the management of public programs. Bureau reports typically contain reviews of financial transactions, analyses of agency performance or public policy issues, conclusions regarding the causes of problems found, and recommendations for improvement.

Reports are submitted to the Joint Legislative Audit Committee and made available to other committees of the Legislature and to the public. The Audit Committee may arrange public hearings on the issues identified in a report and may introduce legislation in response to the audit recommendations. However, the findings, conclusions, and recommendations in the report are those of the Legislative Audit Bureau.

The Bureau accepts confidential tips about fraud, waste, and mismanagement in any Wisconsin state agency or program through its hotline at 1-877-FRAUD-17.

For more information, visit *www.legis.wisconsin.gov/lab*.

Contact the Bureau at 22 East Mifflin Street, Suite 500, Madison, Wisconsin 53703; *LAB@legis.wisconsin.gov;* or (608) 266-2818.

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STATE OF WISCONSIN
Legislative Audit Bureau

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July 24, 2026

Senator Eric Wimberger and
Representative Robert Wittke, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Wimberger and Representative Wittke:

The Legislative Audit Bureau has operated the Fraud, Waste, and Mismanagement Hotline since April 2008. The hotline permits the public and individuals within state government to confidentially report alleged fraud, waste, and mismanagement within the scope of state government. Individuals may remain anonymous, and statutes require us to protect the identity of any individual making a report.

Hotline reports are received primarily through a toll-free telephone number (1-877-FRAUD-17), and they are also received by mail and a secure online form. We review each report to determine whether the allegation or concern can be addressed by staff in state agencies, through an independent review by Bureau staff, or will not be fully investigated because we determined the allegation to be unfounded, unsubstantiated, or no action is required.

From the inception of the hotline and through June 30, 2026, we received 1,909 reports. From January 1, 2026, through June 30, 2026, we received a total of 105 reports, including 63 that were state-related. We highlight findings related to selected hotline reports that we resolved since the publication of our last semiannual report (report 26-02).

We appreciate the courtesy and cooperation of the various state agencies with which we worked to resolve hotline reports.

Respectfully submitted,

Joe Chrisman
State Auditor

JC/SH/ss

Fraud, Waste, and Mismanagement Hotline

The Bureau operates a toll-free hotline (1-877-FRAUD-17).

As required by s. 13.94 (1) (br), Wis. Stats., the Bureau operates a toll-free hotline (1-877-FRAUD-17) to confidentially report alleged fraud, waste, and mismanagement in state government. Callers may remain anonymous, and statutes specifically require the Bureau to protect their identities even when other information related to calls is made public. A secure online form is also available to report concerns at *http://www.legis.wisconsin.gov/lab.* The Appendix includes information about matters investigated by the Bureau.

The hotline has been in operation since April 2008 and is primarily administered by certified fraud examiners. It does not duplicate or replace other government hotlines or complaint resources nor does it investigate matters related to local units of government. We address hotline reports by:

- following up during the course of ongoing audit work;
- initiating interviews and documentation reviews with other state agencies;
- conducting audits or reviews in response to substantiated allegations and reporting our findings to the Joint Legislative Audit Committee; and
- making referrals, providing information, and correcting misinterpretations that result in allegations.

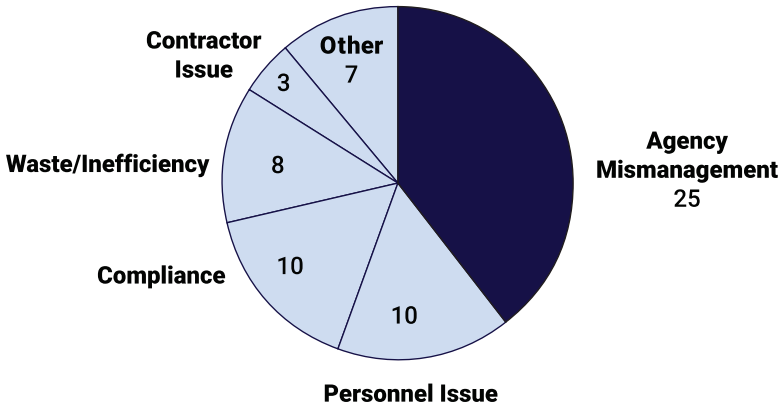
January through June 2026 Hotline Activity

From January through June 2026, we received a total of 105 reports.

Since the inception of the hotline and through June 30, 2026, we received 1,909 hotline reports alleging fraud, waste, and mismanagement. We received a total of 105 reports from January 1, 2026, through June 30, 2026. Of these 105 reports, 63 reports (60.0 percent) were state-related. As shown in Figure 1, the majority of such reports pertained to alleged agency mismanagement.

Figure 1

Reports of Fraud, Waste, and Mismanagement in State Government[1]
January through June 2026



[1] Includes 63 state-related reports received from January 1, 2026, through June 30, 2026.

As shown in Figure 2, we placed each state-related hotline report into one of three categories as of June 30, 2026. These categories are:

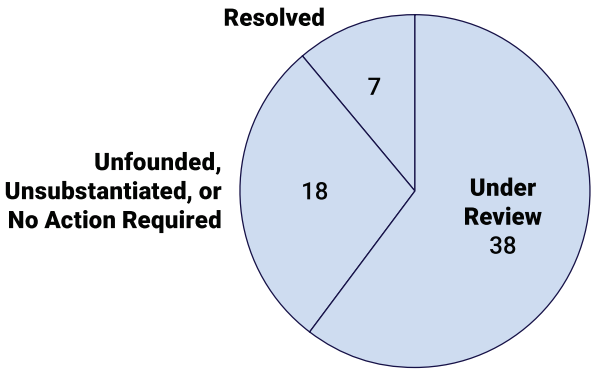
- resolved, which includes actions taken such as internally researching relevant information, conducting fieldwork with relevant agencies, or referring the matter for review by an agency;
- unfounded, unsubstantiated, or no action required, which includes a determination that the reported allegation was untrue or limited information was provided to evaluate the concern; and
- under review, which includes hotline reports in which a review is ongoing and therefore remains confidential by law.

As of June 30, 2026, we had resolved 7 of the 63 state-related reports to the hotline.

As of June 30, 2026, we had resolved directly or by referral 7 of the 63 state-related reports, as shown in Figure 2. We determined that 18 reports were unfounded, unsubstantiated, or no action was required. As of July 1, 2026, 38 of the 63 state-related reports to the hotline remained under review.

Figure 2

Status of State-Related Hotline Reports[1]
January through June 2026



[1] Status as of June 30, 2026, of the 63 state-related reports received from January 1, 2026, through June 30, 2026.

Highlights of Selected Hotline Activities

Some reports to the hotline involve allegations about an individual employee. Other reports to the hotline require a broader review, such as assessing statutory compliance for a state program. We highlight findings related to selected hotline reports that we resolved since the publication of our last semiannual report in January 2026 (report 26-02).

We reviewed an allegation related to the Department of Corrections, which provided free pre-embossed stamped envelopes to adult inmates.

We reviewed an allegation related to the Department of Corrections (DOC), which provided free pre-embossed stamped envelopes to adult inmates. DOC began distributing the envelopes in April 2020 due to the public health emergency. By the end of 2025, DOC had distributed a free tablet to all adult inmates for use in external communication. However, DOC continued to provide envelopes through February 2026. Beginning in March 2026, we found DOC only provided the envelopes if requested to do so, and DOC tracked the number of free envelopes it distributed and used each month.

We found the nonemergency medical transportation vendor under contract with the Department of Health Services continued to report unsuccessful rides in excess of the contract terms.

We reviewed an allegation related to unsuccessful rides by the nonemergency medical transportation (NEMT) provider under contract with the Department of Health Services (DHS). In report 24-8, we reported that the terms of the contract with the NEMT provider do not permit any unsuccessful rides. In August 2023, DHS required the NEMT provider to develop a corrective action plan related to unsuccessful rides. We found that the total number of unsuccessful rides declined from 3,234 in 2023 to 1,685 in 2025, or by 47.9 percent. DHS indicated that the steps taken as a result of the corrective action plan, including efforts to address critical rides and improve the provider network, contributed to the reduction in unsuccessful rides. DHS also indicated that it continues to monitor the performance of the NEMT provider against terms specified in its contract, which is anticipated to end in October 2026.

We note that in May 2026, DHS announced that a new NEMT provider was selected through a request for proposals, which specified that one unsuccessful ride per 1,000 rides would be permitted beginning in November 2026. In addition to its monitoring of the current NEMT provider through the end of its contract, it also will be important for DHS to closely monitor the new NEMT provider to ensure the actual number of unsuccessful rides conforms to the terms specified in the new contract.

■ ■ ■ ■

Appendix

STATE OF WISCONSIN

Legislative Audit Bureau

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Fraud, Waste, and Mismanagement Hotline

What is the purpose of the Legislative Audit Bureau's hotline?

The Bureau's hotline provides an opportunity for individuals to report allegations of fraud and other improper acts by state agencies, employees, and contractors.

1-877-FRAUD-17
(1-877-372-8317)

Submit a secure online form at www.legis.wisconsin.gov/lab

Print a form and mail it to the Bureau

How do I report a concern?

You can report a concern by calling 1-877-FRAUD-17 or visiting the Bureau's website at www.legis.wisconsin.gov/lab and completing a form online or downloading a form and mailing it to the address on the form.

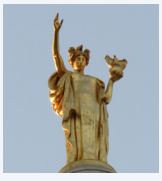
May I remain anonymous?

You may remain anonymous when reporting a concern, and statutes require the Bureau to protect your identity even when other information related to your reported concern is made public. Please consider providing your name and contact information so the Bureau may contact you if additional information is needed. Anonymous allegations that do not include sufficient information will not be pursued.

What happens after I report a concern?

The Bureau evaluates all matters reported for investigation, but the Bureau will use auditor judgment to determine independently if, when, and how the Bureau will investigate an allegation. The act of reporting information to the hotline does not itself initiate a full investigation by the Bureau, and the Bureau alone determines whether to initiate a full hotline investigation.

In lieu of investigation, we may open an inquiry to attempt to resolve the matter without a full investigation, refer the matter to another state agency, or close the matter without taking further action.



Which state entities can be investigated?

- Every office, department, division, bureau, board, and commission in the executive branch of state government, including the University of Wisconsin System and its institutions, the

Wisconsin Technical College System Board and technical colleges, the State of Wisconsin Investment Board, the Wisconsin Economic Development Corporation, and authorities such as the Wisconsin Housing and Economic Development Authority.

- Every entity in the judicial branch of state government that is created by the Legislature.

Which entities are not investigated?

- Agencies and employees of the federal government as well as other state governments.
- Local government agencies and employees, including counties, cities, villages, towns, school districts, local taxing districts, and local special purpose districts.
- Legislative agencies and employees.
- Private entities such as businesses.

What are some examples of state government concerns that may be investigated?

- Mismanagement of a state program.
- Improper contracting.
- Misuse of state property.
- Conflicts of interest.
- Improper overtime.
- Improper expense reimbursements.
- False time and attendance reporting by state employees.

What are some examples of the types of concerns that will not be investigated?

- Matters that duplicate or replace other government hotlines or complaint resources.
- Matters for which insufficient cause or information has been presented.
- Matters related to ongoing appeals or judicial proceedings related to a specific individual's case.
- Matters in which there is pending litigation related to a specific individual's case.
- Matters related to academic freedom within the University of Wisconsin System.