

Dept. of Workforce Development: Gov. Evers signs executive order creating joint task force on payroll fraud and worker misclassification

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CONTACT: DWD Communications, 608-266-2722

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Governor Evers Signs Executive Order Creating Joint Task Force on Payroll Fraud and Worker Misclassification

MADISON – Governor Tony Evers today announced the creation of a Joint Enforcement Task Force on Payroll Fraud and Worker Misclassification. The task force will be staffed by the Department of Workforce Development (DWD) and will consist of the Secretaries of DWD, the Department of Revenue, the Administrators of the Worker’s Compensation and Unemployment Insurance (UI) Divisions within DWD, the Attorney General or a designee, the Commissioner of Insurance or designee and others. The DWD Secretary will serve as chair.

“Our workers are the backbone of our communities,” Gov. Tony Evers said. “Everyone benefits from their efforts to make Wisconsin stronger and safer. When employees are falsely classified or treated unfairly, it hurts our families, our communities, and our whole state. Executive Order 20 and the new Joint Enforcement Task Force will make sure everyone who puts in an honest day’s work gets the compensation and benefits they’ve earned.”

The task force will coordinate worker misclassification matters handled by the Departments of Revenue, Workforce Development, and Justice, as well as the Office of the Commissioner of Insurance and other agencies and will report to the Governor on or before March of each year on their activities.

“Worker Misclassification is an issue of fairness and equity,” DWD Secretary-designee Caleb Frostman said. “For too long, certain contractors have forced individuals into Independent Contractor status to avoid unemployment insurance taxes and worker’s compensation premiums, depriving workers of the security that the employer-employee relationship provides. They have also created an unfair business climate that places businesses that follow the law at a competitive disadvantage.”

DWD also operates a team of worker misclassification investigators, many of whom have law enforcement backgrounds in white collar and economic crime investigations. In 2018, that team conducted over 500 worksite investigations and helped educate the public about the severity of worker misclassification by presenting at construction industry events, labor union meetings and other public forums.

“Last year alone, UI Division auditors conducted 2,459 audits, identifying 8,677 misclassified workers and recouping more than \$1.5 million in UI taxes, interest and penalties due to their efforts,” UI Division Administrator Mark Riehl said. “By better coordinating our state level efforts to level the playing field for Wisconsin contractors and workers, we are building a better tomorrow for thousands of Wisconsin workers and business owners, while helping to ensure the integrity of Wisconsin’s UI Trust Fund.”

DWD’s Worker Classification website, available [here](#), also provides employers with a clear and understandable process to determine whether their workers are employees or independent contractors, as well as a mechanism to report suspected worker misclassification.

The Executive Order signed by Governor Evers is Executive Order 20 and can be viewed [here](#).

To view the most recent Unemployment Insurance Program Fraud Report, click [here](#).

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