

U.S. Sen. Johnson, Wisconsin Delegation: Call on U.S. Department Of Labor to review unemployment fraud program in Wisconsin

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WASHINGTON — On Wednesday, U.S. Sen. Ron Johnson (R-Wis.) and the Wisconsin Republican delegation wrote to the U.S. Department of Labor Acting Inspector General to request that the department review Wisconsin's and other states' unemployment insurance programs and determine the extent of any waste, fraud and abuse. The letter comes after Governor Tony Evers vetoed legislation that would end the federal unemployment plus-up benefits and the Wisconsin Legislature failed to override the governor's veto, almost certainly allowing these benefits to continue through Sept. 6, 2021.

Last month, Senator Johnson and members of the delegation [called on Evers](#) to clarify his administration's past and present efforts to prevent unemployment fraud in light of reports that suggested [up to \\$400 billion](#) of these funds may have been stolen. The members have still not received a response from the governor outlining these efforts.

Senator Johnson said:

"We've now seen estimates of hundreds of billions of dollars in waste, fraud and abuse related to federal unemployment assistance. We can't keep pushing this down the road. I urge Governor Evers to act to protect taxpayers and help get people back to work."

Representative Gallagher said:

“As I’ve said, Wisconsin taxpayers deserve full transparency as to whether or not their hard-earned tax dollars went to criminals. If the Governor is going to unwisely continue this program, we should, at a minimum, get a basic understanding of whether these funds have been stolen or abused.”

Representative Steil said:

“The Governor has consistently failed to be transparent or provide leadership when it comes to the Wisconsin unemployment system. While the Governor may be okay with the status quo, I am not. The reports of potential fraud are troubling and we need to take the necessary actions to protect taxpayers.”

Representative Fitzgerald said:

“Wisconsinites are rightfully concerned about a taxpayer funded unemployment program marked by instances of fraud. I believe the taxpayers in Wisconsin deserve a full investigation by the DOL Acting Inspector General detailing instances of waste and abuse in our state’s program. The report will provide us answers that Governor Evers has failed to give in the past.”

A copy of the letter can be found [here](#) and below.

July 28, 2021

Larry D. Turner

Acting Inspector General

U.S. Department of Labor

200 Constitution Avenue, NW

Room S-5502

Washington, DC 20210

Dear Acting Inspector General Turner:

Since March 2020, the federal government has authorized a vast increase in federal funds for unemployment benefits that are managed by state unemployment

agencies. As states across the country debate whether to continue receiving these additional funds, we write to raise our urgent concern with the impact these additional benefits have had on fraud in state unemployment programs. Amidst the increased flow of federal dollars, your office has consistently warned states and highlighted instances of increased fraud that will likely reach into the hundreds of billions of dollars. A recent article highlights the online criminal ecosystem that has emerged to coach bad actors on how to better defraud state unemployment systems. This is a trend we do not want to see continue.

In May, we urged Wisconsin Governor Tony Evers to end the additional benefits provided through the Federal Pandemic Unemployment Compensation program to get Wisconsinites back to work. In June, we sent a letter asking Governor Evers what efforts he had taken to steward increased federal dollars. We have not received a response to either of these letters. Finally, the governor has vetoed legislation ending these benefits and the Wisconsin Legislature was unable to override this veto. Unfortunately, we have not received any information from Wisconsin officials on how they plan to protect these federal dollars that will almost certainly continue to flow to Wisconsin until they expire on September 6, 2021. So, we ask you to review this program in Wisconsin and other states across the country to determine the extent of any waste, fraud, and abuse.

After more than a year of unprecedented federal spending, it is time we begin a full accounting of where federal funds have gone. Thank you in advance for your efforts to ensure taxpayer dollars are not wasted or lost to those committing fraud on the system.