

Rep. Petryk: Unemployment insurance fraud runs rampant under Gov. Evers' watch, non-partisan audit needed

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Madison – In a recent radio interview, the Secretary Designee of the Department of Workforce Development (DWD) said unemployment insurance “fraud cases went through the roof,” during the pandemic. However, due to the decisions by DWD and the Department of Justice (DOJ), in the last 2 years virtually none of these criminals have had to face charges for their actions.

“Unemployment Insurance was designed to help those who lost their job through no fault of their own during the pandemic. If someone steals \$10,000 from a mom-and-pop grocery store, we expect charges to be filed. But under Governor Evers and AG Kaul, if you steal \$10,000 from the unemployment fund, at best you might get a bureaucratic fine,” said State Representative Warren Petryk, Chairman of the Assembly Workforce Development Committee.

During the pandemic, DWD identified over 16,000 identify theft claims and over 18,000 fraud/concealment claims made during the pandemic as of May 18th. This number may be higher, but Governor Evers chose to veto legislation to strengthen program integrity in the UI system and authorizing a non-partisan audit of DWD’s fraud protocols during the pandemic.

“DWD is letting criminals in the unemployment insurance system escape consequences by not making it a priority to protect taxpayer’s money. This inaction sends a signal to criminals throughout the world that they have a green light to steal from Wisconsin businesses and taxpayers without any consequences. That is

just plain reckless,” said Petryk.

Under 2018 Wisconsin Act 147, the penalty for stealing unemployment benefits was increased to mirror the penalties for other forms of theft. In 2018, DWD referred nearly 150 UI fraud cases for state criminal prosecution to the DOJ. These cases were handled by a dedicated Assistant Attorney General at the DOJ. However, in the most recent UI fraud report, zero cases were referred for prosecution in 2021, and only 8 in 2020 when over 800 were flagged for possible criminal charges during that time. This is despite a signed agreement between DWD and DOJ in 2021 for \$217,000 a year for prosecution of UI and other DWD fraud.

“Because of this Governor’s misguided priorities, I will be asking the Joint Legislative Audit Committee to direct the non-partisan Legislative Audit Bureau to conduct an investigation into DWD’s efforts to detect and prevent fraud during the last 3 years and to find out what they have done and not done to recover any fraud overpayments in the program,” concluded Petryk.