

# Gov. Evers: Urges President Trump to sidestep secretary and restore funding to prevent fraud, waste, and abuse in Wisconsin's unemployment insurance system

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MADISON — After repeated letters to Trump Administration U.S. Department of Labor (DOL) Secretary Lori Chavez-DeRemer resulted in inaction, Gov. Tony Evers is appealing directly to President Donald J. Trump, urging the president to restore approximately \$29 million in federal grant funding Wisconsin needs to prevent waste, fraud, and abuse and complete the Evers Administration's years-long efforts to modernize the state's unemployment insurance (UI) system.

"I write to call your attention to my administration's unemployment insurance fraud prevention effort in Wisconsin, which was a national success story for detecting and preventing fraud when your administration last year terminated modernization grants, which were for the congressionally mandated purpose of detecting and preventing unemployment insurance fraud, among other goals," Gov. Evers wrote in a letter to President Trump. "After repeated attempts to urge the U.S. Department of Labor to reconsider this decision have largely gone ignored, Mr. President, I write to you with an urgent request to direct the U.S. DOL to restore the funding Wisconsin needs to continue our important work preventing fraud, waste, and abuse in our unemployment insurance system."

After the coronavirus pandemic exploited Wisconsin's antiquated unemployment system infrastructure, Wisconsin under Gov. Evers and the Evers Administration began undertaking sweeping unemployment system modernization efforts. In

addition to significantly improving the system interface, the modernization effort included deploying cutting-edge technology in Wisconsin's UI system to bolster efforts to detect and crack down on fraud, prevent benefit overpayments, and significantly improve efficiency and timeliness.

**Since the modernization effort began, for example, Gov. Evers noted in the letter to President Trump that Wisconsin's unemployment insurance program had been audited nine times over the course of three years and had zero identified instances of previously undiscovered fraud.**

Under the Evers Administration, Wisconsin had positioned itself to be one of the strongest-performing unemployment insurance programs in the nation. The Evers Administration was previously awarded federal investments from the U.S. DOL to complete modernization projects of its UI systems to help reduce fraud, reduce overpayments, and improve efficiency in processing benefits. However, last year—inexplicably and with no notice—the Trump Administration chose to terminate \$29 million for Wisconsin's modernization efforts, part of the Trump Administration terminating \$675 million in grants awarded by the U.S. DOL to UI programs across over 30 states and territories.

Apparently, [according to the Trump Administration](#), the U.S. DOL terminated the investments Wisconsin was using for modernization efforts to prevent fraud, waste, and abuse because it “does not effectuate agency priorities.” The governor's letter today notes the U.S. DOL's apparent refusal to release investments for states to fight fraud, waste, and abuse appears to be incongruous with the Trump Administration's and Republicans' own purported goals of addressing fraud nationwide.

Gov. Evers and the Evers Administration have [repeatedly](#) appealed to the Trump Administration, asking them to reconsider their decision, but to date, those attempts have been met with inaction. The governor today took his appeal directly to President Trump, urging the president to sidestep his secretary and release the federal investments Wisconsin was promised to fight fraud, waste, and abuse.

Gov. Evers notes in his letter that the Evers Administration has repeatedly informed the Trump Administration that terminating funding for Wisconsin's modernization effort will “seriously hurt efforts to identify and combat fraud in Wisconsin.”

“If fighting fraud is truly and earnestly a meaningful commitment of you and your

administration, funding for states' unemployment modernization projects must be restored," Gov. Evers concluded. "I ask you to please reverse the Secretary of Labor's decision and restore the funding Wisconsin desperately needs to continue doing our important work preventing fraud, waste, and abuse in our unemployment system."

A copy of the governor's letter to President Trump is available [here](#).

### **ADDITIONAL BACKGROUND ON EVERS ADMINISTRATION'S EFFORTS TO MODERNIZE THE STATE'S UI SYSTEM TO PREVENT FRAUD, WASTE, AND ABUSE**

Wisconsin's unemployment insurance system programming was developed in the early 1970s. The Evers Administration's efforts to modernize Wisconsin's UI system began during the COVID-19 pandemic after decades of inaction by previous administrations and lawmakers were brought to bear during the worst economic crisis in over a decade. The early stages of the pandemic saw state unemployment rates rise from 3.5 percent in February 2020 to 14.8 percent just two months later. Over the course of four years from 2016 through 2019, the Wisconsin Department of Workforce Development (DWD) handled 7.2 million claims. In just the first nine months of 2020, DWD processed nearly 8.8 million claims. This massive influx of claims overwhelmed and backlogged Wisconsin's aging UI processing systems, which, as noted, relied on legacy infrastructure dating to the 1970s.

To help respond to these challenges and finally fix Wisconsin's unemployment system after decades of inaction, Gov. Evers called a special session of the Wisconsin State Legislature and, in February 2021, [signed](#) 2021 Act 4, which began the process of modernizing these critical systems to prevent a future emergency from causing a similar crisis. Since then, DWD has advanced swiftly and successfully toward this goal, protecting the integrity of the claims processing system with cutting-edge technology designed to help crack down on fraud and abuse in benefit claims while increasing virtual customer service options.

Importantly, for example, since undertaking modernization efforts under the leadership of Gov. Evers, Wisconsin's UI program at DWD has been audited nine times between the years of 2020 and 2023. All told, the Legislative Audit Bureau was unable to identify any previously undiscovered fraud within the program. However, the U.S. DOL decision to terminate funding halts work on some of the

most critical unemployment insurance modernization and anti-fraud prevention projects. The \$29 million in terminated funds included:

- \$11.25 million to create a state-of-the-art web-based and mobile employer portal, including a secure communications infrastructure to reduce improper payments and fraud;
- \$6.3 million to prevent and detect fraud, ensure program integrity, and improve cybersecurity and overpayment collections;
- \$6.8 million to modernize written communication with all UI customers through an agile and efficient systems interface, reducing costs and staff resources; and
- Nearly \$4.5 million to implement identity authentication and identity proofing tools, modernize the application process, enhance automation for case scheduling, and centrally document all interactions on a given claim.

In both his letter to the president and previous letter to the U.S. DOL secretary, the governor reiterated the critical need to continue Wisconsin's work to modernize its UI systems and protect the integrity of the state's claims process. More information on DWD's efforts to date to support UI modernization is available [here](#).

An online version of this release is available [here](#).