



STATE REPRESENTATIVE

**SAMANTHA KERKMAN**

**For Immediate Release**  
March 28, 2018

**Contact – Rep. Kerkman**  
(608) 266-2530

## **Gov. Walker Signs Kerkman Unemployment Insurance Fraud Bill**

(Madison) – Governor Walker this morning signed Assembly Bill 710, a bill authored by Representative Samantha Kerkman (R-Salem Lakes) that creates criminal penalties for Unemployment Insurance (UI) fraud.

“What started with constituents calling for assistance because they were having trouble filing their UI claims, progressed into an audit of the initial claims processing for Unemployment Insurance benefits,” said Rep. Samantha Kerkman who co-chairs the committee that assigned the audit. “What we did not anticipate discovering was that there are a small percentage of individuals who account for the majority of overpayments, collectively defrauding the system of millions of dollars annually.”

Now 2017 Wisconsin Act 147, the legislation targets the worst offenders by increasing the penalty based on the amount of the fraud, using the same scale currently in statute for other types of theft. Prior to Act 147, penalties were substantially lower and carried little risk of prosecution.

“I am happy to have worked with the Department of Workforce Development and stakeholders in creating another tool to help deter fraud and aid in recovery of overpayments. Reducing fraud protects the integrity of the UI fund and helps ensure that the unemployment program remains a safety net for those who are out of work,” said Rep. Kerkman.

Unemployment Insurance benefits are funded through payroll taxes paid by Wisconsin employers. The integrity of the Unemployment Insurance program and trust fund contributes to a stable economy and is important to Wisconsin workers who may one day need the safety net the fund provides and to



STATE REPRESENTATIVE

**SAMANTHA KERKMAN**

Wisconsin employers who feel the effects of program fraud through higher tax rates.

The Department of Workforce Development's recently released its report to the Unemployment Insurance Advisory Council on the state of the UI Trust Fund and program integrity efforts. Highlights of the report include:

- The Wisconsin Unemployment Insurance Trust Fund ended 2017 with a balance of nearly \$1.5 billion and increased \$313 million over the year.
- Total Unemployment Insurance benefits declined by 11 percent, while the amount of benefits obtained fraudulently declined by 42 percent when compared to the previous year.
- Worker Misclassification investigations and subsequent audits identified 6,230 misclassified workers, which generated nearly \$1.4 million in additional UI taxes, interest and associated penalties.
- Nearly 98 percent of Unemployment Insurance claimants who were required to register on the state's [JobCenterofWisconsin.com](http://JobCenterofWisconsin.com) website did so as required, taking the first step toward finding a new, rewarding career and demonstrating the department's commitment to ensure that everyone who needs a job has the resources to find a job.

###