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GOVERNOR TACKLES PAYROLL FRAUD WITH EXECUTIVE ORDER
Protects Law Abiding Contractors, Taxpayers And Workers

(Madison, Wis.) – Governor Tony Evers is signaling that his administration is serious about going after law-breaking or shady employers in the construction industry. This afternoon, Evers signed an executive order that forms the Governor’s Joint Enforcement Task Force on Employee Misclassification, which streamlines communications and activities between law enforcement agencies.

Robb Kahl, executive director of the Construction Business Group, said this is a major step forward for employers and the protection of their workers. “We are increasingly seeing unscrupulous construction contractors trying to game the system by misclassifying their workers as ‘independent contractors’ and avoiding paying payroll taxes and other benefits. This hurts law-abiding, Wisconsin-based contractors, taxpayers and workers.”

A Wisconsin Department of Workforce Development (DWD) study found that 44 percent of all employees reviewed were misclassified – 5,841 workers and \$70 million in under-reported wages. In the past three years DWD has assessed approximately \$1.8 million in taxes, interest and penalties.

CBG has found that stopping this type of payroll fraud has bipartisan support based on a recent poll that found that nearly 70 percent of state residents want the practice stopped with a full understanding that it negatively impacts Wisconsin taxpayers.

“By Governor Evers making this a priority, we are signaling to the country that Wisconsin is not only open for business, but aggressively supports fair business,” said Kahl. “We have contractors employing thousands of workers who are playing by the rules and they need to be supported.”

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Established in 1992, the Construction Business Group is a Joint Labor-Management (JLM) organization representing the interests of Wisconsin’s construction industry.