

New State Task Force Probes Payroll and Worker Classification Fraud

Written by GOV Press Wisconsin

Saturday, 27 July 2019 11:36 - Last Updated Sunday, 28 July 2019 12:09

<http://newiproggressive.com/images/stories/S5/technology-workers-s5.jpg>



Practice of improperly calling a worker an independent contractor instead of an employee, denying the worker legal protections and benefits, has been extensively used in recent years.

MADISON - On Friday, Gov. Tony Evers announced several appointments to the Task Force on Payroll Fraud and Worker Misclassification, which was recently formed by Executive Order 20 in April 2019. The task force will coordinate worker misclassification matters handled by the Departments of Revenue, Department of Workforce Development, Department of Justice, the Office of the Commissioner of Insurance and other agencies. The task force will report to the governor on or before March of each year on their activities. Misclassification occurs when an employer improperly classifies a worker as an independent contractor instead of an employee, denying the worker legal protections and benefits.



"Individual agencies do a great job at combating this serious issue that adversely affects some of our most vulnerable workers, but through this task force, agency efforts will be better coordinated," said Gov. Evers. "By evaluating each agency's approach and investigation

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methods and sharing best practices, our efforts to support Wisconsin workers who are left without important safeguards like unemployment insurance and labor protections will be more strategic and coordinated."



The task force will be staffed by the Department of Workforce Development and DWD Secretary-designee Caleb Frostman will serve as chair.

"I am excited to chair this important task force and proud of the work that investigators have done and will continue to do to help eradicate worker misclassification," said DWD Secretary-designee Frostman. "The goal of the task force is to give our front-line staff even more tools and strategies that they can employ as they continue their work to support the Wisconsin worker."

In 2018, DWD's Unemployment Insurance Division (UI) conducted 2,459 audits, identifying 8,877 misclassified workers and recouped more than \$1.5 million in UI taxes, interest, and penalties. Worker misclassification is most commonly found in the construction industry, but service-sector workers and others are also prone to be misclassified by their employer.

Members of the task force announced by Gov. Evers today are:

- DWD Secretary or designee: Sec. Caleb Frostman (Task Force chair)
- Attorney General or designee: Michael Morris
- DOR Secretary or designee: Maria Guerra Lapacek
- OCI Secretary or designee: Andrew Stoughton
- DWD Worker's Compensation Division: Steve Peters
- DWD Unemployment Insurance Division: Mark Reihl
- DWD Equal Rights Division: Jesus Villa
- Workers Representative: Andy Buck
- Business Community Representative: Pete Braun
- Senate Majority Caucus: Sen. Dale Kooyenga
- Senate Minority Caucus: Sen. Dave Hansen
- *Assembly Majority Caucus: Vacant*

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- Assembly Minority Caucus: Rep. Chris Sinicki
- Public Member: Cynthia Buchko
- Public Member: Steuart Wilson
- Public Member: Jerry Shea
- Public Member: Gary Rockweiler
- Public Member: Tim DeMinter

Executive Order 20 can be viewed [here](#) .