http://newiprogressive.com/images/stories/S5/wisc-leaving-s5.jpg

Citizen Action of Wisconsin believes outsourcing scandal shows whole WEDC model is flawed and can only be permanently fixed by scuttling the agency.

STATEWIDE - Yesterday Governor Scott Walker told WKOW TV 27 Madison that he was open to more sanctions against companies that take state job creation money and then outsource Wisconsin jobs.

This is a major reversal for the Walker, whose administration has repeatedly denied Citizen Action of Wisconsin's contention that it is still perfectly legal for companies to outsource and to also receive large grants, loans, and tax credits from the Governor's jobs agency, the Wisconsin Economic Development Corporations (WEDC). In October, Wisconsin Public Radio reported that WEDC officials refused to respond to Citizen Action's contention. WEDC also refused to respond to similar questions from the Shepherd Express.

Wednesday Senator Dave Hansen (D-Green Bay) announced he was drafting an outsourcing accountability bill. Senator Hansen's bill bans companies who receive public economic development money and then outsource jobs from state aid for a period of five years. Hansen's bill follows revelations first reported by WKOW TV Madison that a multinational corporation, Eaton Corp., receiving state economic development support is outsourcing Wisconsin jobs to Mexico for a second time.

Citizen Action of Wisconsin believes that the outsourcing scandal demonstrates that the entire WEDC model is hopelessly flawed and can only be permanently fixed by scuttling the agency.

"The outsourcing scandal is only the tip of the iceberg. That state aid to corporations engaged in undermining Wisconsin workers is even possible debunks Governor Walker's whole idea that precious state job creation dollars should be doled out by an unaccountable semi-public agency like WEDC," said Robert Kraig, Executive Director of Citizen Action of Wisconsin. "The best solution to the failure of the WEDC model is to disband it, and create a fully accountable public agency which focuses investments like a laser beam on creating family supporting jobs, not merely doling out money to multinational corporations who are selling out Wisconsin workers."

Reporting by the Milwaukee Business Journal sheds further light on WEDC's shobby outsourcing standards. WEDC officials have claimed that performance standards assure that companies receiving state assistance are adding jobs to the economy, even if they are also engaged in outsourcing. However, business reporter Tom Held found that Eaton received nearly $370,000 in WEDC tax credits to create 25 jobs and to retain 150 jobs. They then turned around and outsourced 93 jobs to Mexico, a net loss of 68 jobs in Wisconsin.

Citizen Action of Wisconsin also argues that preventing the merger of WEDC with another public authority simply leaves the present failed system in place.

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