

## Lawmakers Call for Independent Federal Investigation of Walker's WEDC

Written by GBP Staff

Tuesday, 19 May 2015 10:06 - Last Updated Tuesday, 19 May 2015 11:36

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<http://newiprogressive.com/images/stories/S5/walker-no-jobs-s5.jpg>



***Recent media reports on a questionable loan deal that Gov. Scott Walker's aides pushed for a top Walker donor highlight the need to look into possible ethical, criminal violations.***

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MADISON - Democratic lawmakers called Monday for a federal criminal investigation into a questionable loan deal that Gov. Scott Walker's top aides initially pushed for a top Walker donor. The investigation would determine whether taxpayer dollars were misused and whether criminal violations may have taken place at Walker's troubled Wisconsin Economic Development Corporation (WEDC).

Over the weekend, the [Wisconsin State Journal](#) broke a story that indicates WEDC may have granted at least one loan totaling \$500,000 as a favor to one of the governor's campaign contributors.

The State Journal reported that Gov. Scott Walker's top aides and a powerful lobbyist pressed for a taxpayer-funded loan in 2011 to a financially struggling Milwaukee construction company that lost the state half a million dollars, created no jobs and raised questions about where the money went, a State Journal investigation has found.

The extraordinary steps led the Wisconsin Economic Development Corp. in 2011 to award a \$500,000 unsecured loan to Building Committee Inc., owned by William Minahan, for a proposed project to retrofit bank and credit union buildings for energy efficiency.

The *State Journal* investigation found:

- The disappearance of records relating to the loan in question; the required loan paperwork appears to be missing or, perhaps worse, never existed;
- Potentially fraudulent actions on the part of the business owner who appears to have

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falsified forms in order to secure a state loan; and

- Serious questions about the role of some of Gov. Walker's top advisors – then-Secretary of Administration Mike Huebsch, Gov. Walker's campaign manager Keith Gilkes, and possibly others who may have influenced WEDC to give a loan to a major campaign contributor.



Democratic Leader **Peter Barca** (D-Kenosha) and Sen. **Julie Lassa** (D-Stevens Point), the Democratic representatives on the Wisconsin Economic Development Corporation (WEDC) Board, called on U.S. Attorney General Loretta Lynch and U.S. Attorneys John Vaudreuil and James Santelle to launch the investigation at a news conference Monday.

Barca and Lassa called on Lynch, Vaudreuil and Santelle to launch an investigation into the missing documents, whether taxpayer dollars were misused, and whether criminal violations may have taken place at WEDC.

Vaudreuil's office said its policy is neither to confirm nor deny an investigation. Messages left with Santelle and state Attorney General Brad Schimel were not immediately returned.

Walker spokeswoman Laurel Patrick said Monday that the governor has asked WEDC to discuss the loan at its next board meeting, which is scheduled for July 21.

In New Orleans on Monday, Walker told The Associated Press that he played no part in the loan and that Democrats are on a "political witch hunt". Walker has often used the "it's only politics" defense when asked about other scandals in the past.

Patrick also accused the Democrats of "political gamesmanship," saying as WEDC board members they received regular reports about delinquent loans and loans being written off and had unfettered access to WEDC staff to answer questions.

However, Rep. Barca said "We are deeply troubled by the ongoing inconsistencies at WEDC,

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the disappearance of documents and the appearance of taxpayer dollars being funneled to political campaign donors by government officials. That's why we are calling on the United States attorneys to fully investigate this issue in order to determine whether federal ethical violations have taken place and whether the Governor and his aides committed pay-to-play practices."



"Unfortunately, as we found out in the last week, the problems at Gov. Walker's WEDC appear to go beyond simple mismanagement," Sen. Lassa added. "WEDC has been on shaky ground since Gov. Walker created it and the entrepreneurs and workers of Wisconsin have paid the price for that continual chaos."

Lassa went on "Now it is clear the governor is simply reacting to events as he is focused on running for president, and is not focused on helping Wisconsin entrepreneurs or creating jobs for the people of our state."

In the coming days, Rep. Barca and Sen. Lassa said they will send a letter detailing their concerns to the federal investigators.