

Bi-Partisan WEDC Fraud Bill Receives Public Hearing

Written by GBP Staff

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Legislation introduced by Rep. Samantha Kerkman (R-Salem) and Sen. Dave Hansen (D-Green Bay) aims to crack down on individuals and businesses that commit fraud when applying for economic development assistance.

MADISON - Bi-partisan legislation aimed at cracking down on individuals and businesses that commit fraud when applying for economic development assistance from the Wisconsin Economic Development Corporation took its first step toward passage when it received a public hearing before the Assembly Committee on Jobs and the Economy.



Assembly Bill 669 was introduced by Representative **Samantha Kerkman** (R-Salem) and Senator **Dave Hansen**

(D-Green Bay) in response to two recent high-profile cases where Wisconsin taxpayers lost \$1.5 million after the applicants were alleged to have left out information that would have led to their applications for assistance being denied.

“Whether it’s \$200 in the FoodShare program or \$200,000 from WEDC, fraud is fraud,” said Rep. Kerkman. “Sufficient deterrents to fraud help support a strong WEDC, and a strong WEDC helps build a strong economy.”

In 2011 William Minihan, the owner of Building Committee, Inc., used a \$500,000 loan from taxpayers to pay off a lease he held on a fleet of luxury cars. In 2015 it was revealed that Ron Van Den Heuvel, owner of Green Box was being investigated for lying on his application in which he received a \$1.12 million taxpayer loan from WEDC. Investigators allege he used the

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taxpayer money to in part pay off his personal loans.



“This type of fraud, because of the large numbers involved, can cost taxpayers millions in a single case. Committing economic assistance fraud steals from all the people of this state, deprives honest business owners from getting the help they need to grow their businesses here and ultimately hurts workers,” **said Hansen**. “A strong message needs to be sent that if you commit this type of fraud you are going to pay a high price.”

AB-669 creates the crime of committing fraud in applying for economic development assistance. Those found guilty could be sentenced up to 15 years in prison and face fines up to \$50,000. In addition, that individual or business they represent could be denied future assistance for seven years.

Legislative Staffer Jay Wadd contributed to this story.