

WEDC Audit, Public Hearing Déjà Vu to Wisconsin Taxpayers

Written by Wisconsin Assembly Democrats
Thursday, 26 October 2017 08:01



Public hearing Tuesday on LAB's WEDC audit highlighted similar concerns to two prior reports.

MADISON – The Joint Legislative Audit Committee (“Audit Committee”) held a public hearing Tuesday on the results of the nonpartisan Legislative Audit Bureau (LAB)’s audit of the Wisconsin Economic Development Corporation ([report 17-9](#)).

State Representatives Melissa Sargent (D-Madison) and Terese Berceau (D-Madison), members of the Audit Committee, expressed concern about the audit results and the WEDC’s continued trouble executing contracts, verifying job numbers, and complying with state statutes.



“If it feels like déjà vu to Wisconsin taxpayers, that’s because it is,” said Berceau. “WEDC should be able to account for what they’ve done with the dollars they’ve been given, but they aren’t able to, and they’ve been asked to on three separate occasions. We still have an agency

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that can't tell taxpayers what they're getting for their investment."

The LAB's 2017 WEDC audit reviewed Tuesday was the [third audit](#) since WEDC's inception in 2011. The 17-9 report highlighted the WEDC's inability to substantiate job creation and retention claims or effectively execute contracts pursuant to Wisconsin law, and failure to comply with statutory requirements for tax credit recipients to verify job creation and retention numbers.



"Wisconsin state laws are not a buffet--state agents don't get to pick and choose which laws they want to follow and when," said Sargent, ranking Democratic Assembly member on the Audit Committee. "We've seen this with the DOT and the DNR, among others, and we've seen it now three times with the WEDC. 'Close' might count in horseshoes and hand grenades, but it's not good enough when it comes to complying with state law."

Tuesday's public hearing also comes less than a week after the WEDC board postponed a vote on the Foxconn package with board members citing [contractual concerns](#) .

"How can the Legislature, as stewards of Wisconsin taxpayer dollars, honestly entrust executing a \$3 billion contract like Foxconn with tax credits hinging upon—of all things—verified job creation, when WEDC has demonstrated not once, not twice, but *three times* that they are not capable of adequately executing contracts, verifying job creation, and even simply complying with state statutes?" asked Sargent.

The WEDC is expected to provide another status report to the Audit Committee by February of 2018. Among the items on the agenda for Committee consideration was the proposed forestry account audit included in the 2017-19 biennial budget, and legislation to remove required LAB

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audits (LRB-4557 and LRB-4586) and repeal the Department of Workforce Development's supervised business initiatives program (LRB-3593 and LRB-4211).