

LAB Fraud Hotline: Working to Stop Waste, Abuse and Mismanagement

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Senator Kathleen Vinehout writes about the Legislative Audit Bureau Hotline which provides the public a confidential outlet to file complaints about problems with state government.

MADISON - “We waited and the ride never came,” said one disabled man. “I was so cold” another woman said. “They said the heater in the van didn’t work.”

The disabled folks from Black River Falls who called me were on to something. They described problems (like waiting for a van that never came) with state contractors who were supposed to transport Medicaid patients to a doctor or therapy appointment. The problems they described were happening in many parts of the state.

The complaints led to a public hearing. Last spring lawmakers directed the Legislative Audit Bureau (LAB) to conduct an investigation into contractors hired by the state to provide non-emergency medical transportation. Auditors were to investigate the complaints raised about substandard service.

But some people were afraid to complain. For a kidney dialysis patient, life depends on the ride to the dialysis center. Auditors and legislators faced a problem: how to get details on real problems while protecting the innocent.

People responded by calling the LAB's Fraud, Waste and Mismanagement Hotline.

The hotline serves a vital role in the checks and balances of state government. The LAB operates the hotline completely outside of the purview of the Executive Branch of government – keeping investigations independent and confidential.

The hotline was created in 2007 to “allow the public and individuals within state government to report alleged fraud, waste, mismanagement and other improper activities.” Since the beginning of operation in April 2008, the Bureau has tackled more than 700 hotline reports.

Whistle-blower protections afforded hotline callers are some of the strongest in state law. Callers may remain anonymous. The LAB Fraud Investigators must protect callers even if other information related to an investigation is made public. Legislative actions in 2013 further strengthened confidentiality protections for callers.

People may call 1-877-FRAUD (1-877-372-8317) or complete a secure web-based form at legis.wisconsin.gov/LAB

. A Certified Fraud Examiner answers most calls to the hotline. Your complaint can make a real difference in shining a light on what needs to change.

The LAB recently released its biennial report including an update on what's happening with the hotline. In the past two years over 200 state-related reports of fraud, waste and mismanagement were received by the hotline. The vast majority – over 60% - were related to state contractors and vendors. Other complaints involved agency mismanagement (17%); people ineligible for benefits they were receiving (10%); waste and inefficiency (9%) and other topics (4%).

Many people who contacted the hotline complained about difficulties getting through to file Unemployment Insurance claims. A recently released LAB investigation of unemployment claims showed from July 2013 to July 2014 nearly 1.7 million calls coming into the Department of Workforce Development (DWD) call center were blocked. People weren't able to complete their unemployment compensation claim. In the peak months for filing claims, nearly 80% of calls to file initial claims were blocked.

Other investigations were opened when reports were received about an employee not accurately reporting work absences. The employee was fined through a reduction in hours set aside for leave. In other cases people fraudulently applied for benefits. In one case an energy assistance application was cancelled and the fraudulent dollars repaid.

Seventeen cases of people ineligible for Medicaid or Food Share led to referrals to the Office of Inspector General – a relatively new position in the Department of Health. Some cases were referred to law enforcement. Other cases were referred to the agency responsible for investigating fraud – for example, tax fraud or avoidance cases were sent to the Department of Revenue. Others are still under investigation.

The LAB resolved 19% of the issues identified by hotline callers; 8% were unfounded or required no action; 73% of reports still remain under investigation.

Many of these 147 reports relate to the complaints about non-emergency medical transportation – like the disabled folks in Black River Falls traveling to dialysis in the cold of winter without a heater.

The first-hand knowledge of problems callers report help the auditors do the careful work of examining the ineffectiveness of a program and recommending changes to fix programs.

I expect the report on non-emergency medical transportation to be released later this winter.

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