

---

FOR IMMEDIATE RELEASE

Monday, May 07, 2012

CONTACT: DWD Communications, 608-266-2722

On the Web: <http://dwd.wisconsin.gov/dwd/news.htm>

On Facebook: <http://www.facebook.com/WIWorkforce>

On Twitter: @WIWorkforce

## **DWD Secretary Newson: Overpayment Recoveries Surge as Walker Administration Boosts Program Integrity in UI System**

*During Governor's first year in office, DWD recovers \$87.6 million in 2011, a 24.4% jump over 2010*

MADISON – Department of Workforce Development (DWD) Secretary Reggie Newson announced today that DWD's efforts to curtail waste, fraud and abuse under Governor Walker's leadership helped the agency recover \$43.7 million in Unemployment Insurance (UI) overpayments and another \$43.9 million in delinquent employer taxes last year, totaling \$87.6 million in collections in 2011.

"Thanks to the Governor's vision for a more accountable and effective government, along with the hard work and dedication of our agency's staff, our UI program integrity initiatives are paying off," Secretary Newson said. "Even so, we will continue seeking ways to further enhance our UI prevention, detection and enforcement measures. We must do everything we can to make sure all tax dollars are spent wisely."

In 2011, UI recovered \$15.6 million of fraud overpayments, representing a 73.3 percent increase over the \$9.0 million collected in 2010. The agency also recovered \$28.1 million in non-fraud overpayments, reflecting a 6.8 percent increase over the \$26.3 million collected in 2010. In addition, the \$43.9 million in delinquent employer taxes that UI collected last year are 25.1 percent higher than the \$35.1 million collected in 2010. The funds were returned to the state UI trust fund or to the federal government, depending on whether the overpayments were part of state or federal UI programs.

Secretary Newson also reported today that DWD recovered \$14.2 million in fraud overpayments and \$8.8 million in non-fraud overpayments through the first quarter of 2012, a 58.6 percent increase over the first quarter in 2011. DWD has collected another \$8.0 million in delinquent employer taxes through the first quarter of this year as well.

Secretary Newson cited other results of DWD's stepped-up program integrity efforts for the UI program:

- In 2011, UI *detected* \$46.4 million of non-fraud overpayments, representing a \$5 million increase over the total detected in 2010. DWD *detected* another \$41.6 million in fraud overpayments last year, which is \$4.1 million more than 2010. These totals, while representing significant recovery efforts, amount to a fraction of the \$2.1 billion in UI benefits paid to Wisconsinites in 2011.
- The average fraud overpayment declined by 59.8 percent last year to \$1,124 from \$2,801 in 2010.

Secretary Newson said the UI program last year renewed its focus on program integrity, prioritizing staff for program integrity-related duties and strengthening the state's data cross-match capabilities. Wisconsin was also one of the first states to join the U.S. Treasury's Tax Offset Program to intercept federal income tax refunds in 2011. In addition to state and federal tax refund intercepts, DWD uses other recovery tools such as cash payments, UI benefit offsets, wage garnishments, and debt collection tools such as levies and warrants.