



State of Wisconsin

Department of Workforce Development

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**CHRONOLOGY OF DWD ACTIONS TAKEN WITH OIC-GM SINCE  
DECEMBER 2003  
11/9/04**

***December***

- DWD notified OIC-GM that DWD will audit the use of W-2 funds and payments to relatives of Gary George.
- DWD alerted OIC-GM that they would be required to employ an on site special monitor to oversee program compliance.

***January***

- DWD inserted special language into the two-year W-2 contract with OIC-GM, stating that the Department may reconsider the extension of the W-2 contract beyond the initial contract year (2004).

***February***

- DWD's Legal Counsel issued a letter to OIC-GM confirming DWD's contract language with OIC-GM requiring three separate audit and monitoring actions:
  1. Requiring a single agency audit with an independent audit firm, Virchow Krause;
  2. Requiring a financial monitoring entity, SFS Group LTD, to review all OIC-GM fiscal systems; and,
  3. Notifying OIC-GM that DWD would send its own internal auditors to OIC-GM to monitor procurement process, billing and retainers.

***August***

- DWD disallowed \$215,997 in W-2 costs associated with illegal payments made in relation to the Gary George and Carl Gee indictments and \$58,780 in costs related to the failure of OIC-GM to engage a new audit firm in a timely manner as required by the Department.

***September***

- DWD took the unusual step of issuing a letter to OIC-GM requiring that they submit a Corrective Action Plan (CAP) to DWD; this CAP eliminates the ability of OIC-GM to have a "right of first selection" for any future W-2 contracts (OIC-GM is the only W-2 Agency, among 48, that has been placed under a CAP this year). The CAP requires a series of program and financial actions by OIC-GM within strict timeframes as a condition for continued operation of the W-2 contract.

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**October**

- DWD issued a follow-up letter to OIC-GM's inadequate CAP specifying additional required actions by OIC-GM.

**November**

- DWD's top leaders met with OIC-GM's top leaders to review the seriousness of the outstanding issues before OIC-GM and to inform OIC-GM of additional fiscal and program management oversight steps that DWD would be taking.

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