

# WISCONSIN UNEMPLOYMENT INSURANCE

Integrity  Customer Service  Accountability



*2019 Fraud Report to the*

## UNEMPLOYMENT INSURANCE ADVISORY COUNCIL





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Department of Workforce Development

Unemployment Insurance

This report is presented to the Wisconsin Unemployment Insurance Advisory Council pursuant to Wis. Stat. §108.14(19). The report contains information relating to the detection and prosecution of unemployment insurance fraud in the preceding year.



"Wisconsin's Unemployment Insurance program is one of the strongest in the nation, and we owe much of its success to the hard work and dedication of our staff and the work of the Unemployment Insurance Advisory Council."

- Secretary Caleb Frostman, Wisconsin Department of Workforce Development

March 15, 2019

Dear Members of the Unemployment Insurance Advisory Council:

The Department of Workforce Development (DWD) is pleased to present the following report on the department's efforts to ensure the integrity of the Unemployment Insurance (UI) program. As you know, the UI program is a vital economic stability program, acting as a partial wage replacement for those who are out of work through no fault of their own while they rapidly transition back to employment.

The department's efforts to combat waste, fraud, and abuse of the UI program in 2018 have reduced the amount of fraud overpayments by \$116,000, or 2.3 percent, when compared to 2017. Additionally, the number of cases of fraud against the UI program was reduced by 377 or 7.3 percent.

We owe it to Wisconsin workers who rely on the program during a period of unemployment and businesses who pay into the system to ensure the program remains solvent and available to those who qualify and need assistance.

The following report contains data on our efforts to reduce fraud and recover overpayments as well as the many strategies and tools the department employs to carry out these efforts.

In closing, we would like to thank the members of the council for your dedication to not only the program but the people of Wisconsin. We appreciate your commitment to the council process and thank you for your hard work in making Wisconsin's UI program one of the best in the nation.

Sincerely,



Caleb Frostman, Secretary  
Department of Workforce Development



Mark Reihl, Administrator  
Unemployment Insurance Division

# UNEMPLOYMENT INSURANCE



- ◆ Providing a safety net to workers who lose jobs through no fault of their own;
- ◆ Offering family stability;
- ◆ Retaining of Wisconsin's talented workers to contribute to our economy.

## A VITAL ECONOMIC STABILITY PROGRAM

# OVERPAYMENTS CONTINUE TO DECLINE

**Fraud overpayments accounted for only 1.2 percent of total unemployment benefits paid in 2018**

## Fraud Overpayments

The UI Division remains committed to ensuring the integrity of the UI program. Fraud against the Wisconsin UI program continues to decline. UI fraud overpayments declined by 2.31 percent from 2017 to 2018. This is in addition to a 42 percent decline in fraud overpayments from 2016 to 2017 (see Addendum A).

### UNEMPLOYMENT BENEFIT OVERPAYMENTS CONTINUE TO DECLINE

	2017 Amount	2018 Amount	Dollar Reduction	Percent Reduction
Total UI Payments	\$453,715,534	\$416,023,272	\$37,692,262	-8.31%
+ <b>Fraud Overpayment<sup>1</sup></b>	\$5,016,369	\$4,900,271	\$116,098	-2.31%
As Percent of Total Payments	1.1%	1.2%		
+ <b>Non-Fraud Overpayment<sup>1</sup></b>	\$8,922,443	\$8,202,583	\$719,860	-8.07%
As Percent of Total Payments	2.0%	2.0%		
= <b>OVERPAYMENT TOTALS</b>	<b>\$13,938,812</b>	<b>\$13,102,854</b>	<b>\$835,958</b>	<b>-6%</b>

	2017 Number of Cases	2018 Number of Cases	Case Reduction	Percent Reduction
+ <b>Fraud Cases</b>	5,132	4,755	377	-7.35%
+ <b>Non-Fraud Cases</b>	48,484	44,634	3,850	-7.94%
= <b>CASE TOTALS</b>	<b>53,616</b>	<b>49,389</b>	<b>4,227</b>	<b>-7.88%</b>

<sup>1</sup>Overpayment figures reflect the amounts detected in the stated calendar year. A portion of those overpayments were disbursed in prior calendar years.

## Non-Fraudulent Overpayments

In Wisconsin, the division goes to great lengths to help ensure UI customers comply with the requirements of the law and that they are able to easily understand Wisconsin's UI system. UI provides a robust online application for applying for UI benefits, filing weekly claims and locating information for UI related questions on easy-to-use Internet platforms that can be accessed by nearly every type of electronic device. UI also operates a Help Center as a resource for those who need assistance using the online application or help locating answers to complex UI questions.

Even with these resources available, sometimes customers make unintentional errors. These instances are tracked separately from intentional fraud and are referred to as "non-fraudulent overpayments." As is the case with intentional fraud, the division's systems seek to prevent and detect these errors and collect these overpayments for deposit into the Trust Fund.

## WORK SEARCH

### Enhanced Online Weekly Work Search for Claimants

UI claimants are required to provide verification of having performed their work search actions each week when filing their weekly claim (unless the requirements are waived). Improvements to UI's online systems include a new stand-alone online application which allows claimants to enter their work search actions throughout the week, instead of having to wait until the week is over to submit their work search actions. These enhancements make the system more user-friendly, saving claimants' time and helping to prevent benefit claims filing errors, which helps to reduce improper payments.

### Work Search Audits

The division has a well-established work search auditing program. UI claimants who are required to search for work must submit their work search record each week a claim is filed. These records are subject to random audits for program integrity purposes. These audits uncover mistakes made by claimants, instances of intentional fraud, and provide an opportunity for the division to educate claimants on what constitutes a valid work search action and what is needed for the division to verify the action.

In 2018, the division conducted 32,772 work search audits. Those audits resulted in 6,392 decisions where work search requirements were not met.

## WORKER CLASSIFICATION

### Protecting Workers, Protecting Employers

Worker misclassification contributes to waste and fraud in the UI program through the loss of UI tax revenue from employers who misclassify workers, and the creation of an unfair business climate that places businesses that follow the law at a competitive disadvantage. It also denies workers who are out of work through no fault of their own access to the UI benefits they may have been eligible for if they were properly classified.



In 2018, Wisconsin UI auditors conducted 2,459 audits, identified 8,677 misclassified workers and \$1,530,762 was generated in UI taxes, interest, and penalties due to the division's efforts to detect worker misclassification. The division's efforts to combat worker misclassification include a robust program of worksite misclassification investigations combined with efforts to educate employers and workers through direct and paid media outreach.

### Worker Classification Education

Wisconsin's worker classification website provides employers with a clear and understandable process to assist them in determining whether their workers are employees or independent contractors. The website also provides a mechanism to report suspected worker misclassification.

The department produced three radio public service announcements (PSAs), in both English and Spanish, to educate employers and workers on the issues of worker misclassification and the employer's responsibility to properly classify workers. The PSAs aired in the fall of 2017 and the spring of 2018 and were broadcast over 20,000 times across 190 Wisconsin radio stations.

### Worker Classification Investigations

Worksite investigations are conducted by experienced division investigators, many of whom have law enforcement backgrounds in white collar and economic crime investigations. The division conducted 511 worker classification field investigations in 2018. In addition, investigative team members continue to present at construction industry events, labor union meetings and other public forums on worker misclassification, and hold meetings with individual contractors that have large numbers of misclassified workers.

**Wisconsin's Worker Classification website continues to be the most comprehensive website in the nation that educates employers on proper classification of workers as either employees or independent contractors**

**"Worker misclassification negatively impacts the UI program through the loss of UI tax revenue deposited in the UI Trust Fund in addition to denying workers who are out of work through no fault of their own access to the temporary safety net provided by Unemployment Insurance."**

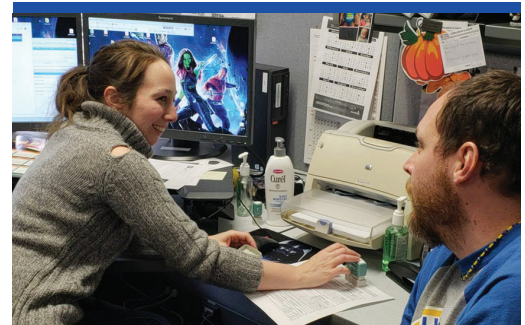
**- Terry Hayden, UIAC Member**

# TOOLS USED IN THE FIGHT AGAINST FRAUD

## Prevention Tools

### *Data Analytics*

The Wisconsin UI program has instituted cutting-edge data analytics aimed at protecting the UI Trust Fund through prevention of fraud. Identity theft is an ongoing concern in both the public and private sectors and poses a threat to the integrity of Wisconsin's UI program. A combined approach of analytic techniques, staff expertise and system improvements are used to detect this ever-changing threat.



The division's current process proactively identifies suspected fraudulent claims, allowing time to stop those claims, investigate them, and prevent improper payments.

### *Online Filing*

The online claim filing systems were enhanced to increase efficiency, clarity, and ease of understanding, which in turn helps claimants file accurate claims. Due to enhancements to the online filing system and retirement of the antiquated telephone filing system finalized in 2017, approximately 98% of initial and weekly claims are currently filed online. This modernized online system includes the ability to file weekly claims in Spanish. Advantages to online filing include:

- ▶ The ability to enter work search information online;
- ▶ A mobile-friendly application, allowing claimants to file their claim using any smartphone, tablet, or computer;
- ▶ A convenient employer search tool to add important employer information to a claim;
- ▶ The ability for claimants to save their claim and return later that same day to complete the claim; and
- ▶ Clarifying help text to support greater self-service and accurate claim filing.

### *Education*

Education is a key component to any prevention and deterrence effort. The division has improved notices regarding the potential legal and financial consequences of committing fraud, such as:

- ▶ Before logging into online benefit services, claimants must acknowledge they are aware committing UI fraud is illegal and they are aware of the penalties for doing so;
- ▶ Claimants who previously committed UI fraud receive a special message upon logging in reminding them of their prior act and the potential for increased penalties; and
- ▶ In the online initial and weekly claim applications, claimants must acknowledge more than once that the information they are providing is true.

A claimant handbook with detailed instructions on the claim filing process is available and claimants are responsible for knowing all the information provided in the handbook. This handbook is posted at [dwd.wisconsin.gov/uiben/handbook](http://dwd.wisconsin.gov/uiben/handbook).

The division offers written educational guidance for employers on how to protect themselves and the Trust Fund, including the pamphlet How to Protect Your Business from Higher Taxes. This guidance is posted at [dwd.wisconsin.gov/dwd/publications/ui/uct\\_17287\\_p.pdf](http://dwd.wisconsin.gov/dwd/publications/ui/uct_17287_p.pdf).

Additional resources available to both employees and employers include:

- ▶ UI Internet resources for both employers and employees, such as methods for reporting UI fraud and "Frequently Asked Questions about UI Benefit Fraud"; and
- ▶ An employer handbook containing information on how to properly classify a worker.

### *Additional Prevention Approaches*

Other fraud prevention tools include:

- ▶ Benefit Payment Notices informing employers of UI benefit charges to their account;
- ▶ Non-citizen work authorization verification with United States Citizenship and Immigration Services (USCIS) when the claimant is not a U.S. citizen;
- ▶ Scanning employer tax and benefit charge information to identify potential fictitious employers; and
- ▶ New web resources on the UI Internet site detailing UI scams.



## Detection Tools

### *Dedicated UI Workers*

Staff vigilance is one of the division's best tools for detection. The Integrity and Quality Section within the Benefit Operations Bureau provides training to staff on methods for detecting and reporting fraud. The Integrity and Quality Section consists of experienced investigators who investigate the most complex and organized efforts to defraud the system. Members of this section also prepare and recommend cases for prosecution referral.

### *Post Verification of Wages*

The division sends wage verification notices to employers when claimants, who had been reporting wages weekly, stop reporting wages in a week. This allows employers the opportunity to timely report any issues. **The division detected an estimated \$149,921 in fraudulent UI claims in 2018 using this tool.**

### *Cross-Matches*

The division utilizes numerous cross-matches that assist in detecting UI fraud:

**Quarterly Wage Cross-Match** – This cross-match compares benefit payment records with wage records submitted by employers covered under Wisconsin's UI program. Employers are required by law to submit these records to the division quarterly. This helps to verify wages are properly reported on unemployment claims.

**Inmate Cross-Match** – Claimants may not be eligible for UI benefits if incarcerated. This cross-match consists of one crossmatch that compares benefit payment records to incarceration records for all of Wisconsin's county jails and prisons. A second crossmatch compares benefit payment records to incarceration records for facilities nationwide.

**Interstate Wage Record Cross-Match** – This cross-match compares benefit payment records with quarterly wage records submitted by employers from other states. This helps to verify wages are properly reported on unemployment claims.

**Wisconsin and National New Hire Cross-Match** – Employers are required to report basic information about employees who are newly hired, rehired, or return to work after a separation from employment. Division staff cross-match UI payment records with new hire information. Wisconsin cross-matches quarterly federal wage data from the National Directory of New Hires reports for claimants who are former federal government employees.

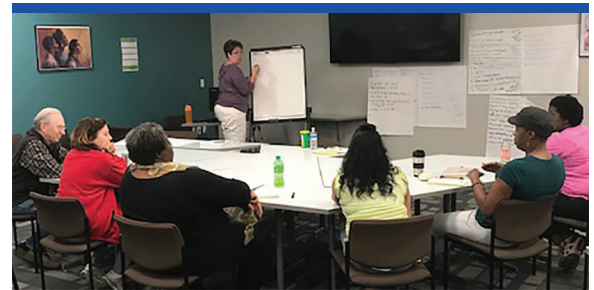
**Vital Statistics (Death Records) Cross-Match** – The Wisconsin Department of Health Services provides a record of deaths in Wisconsin that is cross-matched with UI data to determine whether UI claims continue to be filed after a claimant is deceased.

**SSDI Crossmatch** – This new crossmatch, implemented in August 2018, compares individuals currently listed as applying/receiving SSDI with claimants filing initial and weekly unemployment claims. The crossmatch indicates an individual has applied for SSDI in the past.

### Other Detection Approaches

**Additional detection approaches utilized to preserve and protect the integrity of the UI Trust Fund include:**

- ▶ Audits of employers - resulting in employer contribution assessments totaling \$1.4 million in 2018;
- ▶ Employer complaints and tips from the public concerning suspected fraudulent claims;
- ▶ Using 1099 information from the Internal Revenue Service (IRS) to investigate employers who may be misclassifying employees as independent contractors;
- ▶ Contacts from local, state, and federal law enforcement officers regarding suspicious activities;
- ▶ Sophisticated fraud monitoring tools employed by U.S. Bank, which allow the department to monitor, predict, and respond quickly to suspected fraudulent activity; and
- ▶ Meetings with several other state agencies on a quarterly basis to discuss fraud trends and cases of mutual interest. The agencies share fraud tips to ensure fraud occurring across agencies is thoroughly investigated and stopped. In 2018, this model was presented by Wisconsin UI staff at two national conferences, the National Association of State Workforce Agencies (NASWA) UI Integrity conference and United Council of Welfare Fraud (UCOWF) and was of great interest to other states.



### Compliance Tools

The Unemployment Insurance Advisory Council agreed-upon bill (2017 Wisconsin Act 157), enacted by the Legislature in April 2018, contained numerous law changes to encourage compliance with the reporting of required information necessary to pay benefits and assess taxes accurately, and to deter intentional acts of fraud against the UI system. Those measures in 2017 Wis. Act 157 include:

**Levy Non-Compliance Penalty** – Increasing the penalty for third parties who refuse to comply with a department levy from 25% to 50% of the amount of debt owed. The penalties collected will be deposited into the UI Program Integrity Fund.

**Personal Liability for Tax: Repeal of the Ownership Requirement** – Amending the tax personal liability statute to remove the requirement that an officer, employee, member, manager, partner, or other responsible person must have at least a 20% ownership interest to hold the person personally liable for willfully failing to file reports or payments.

**Fiscal Agents Joint and Several Liability** – Aligning state law with federal law so that a private agency that serves as a fiscal agent, or that contracts with a fiscal intermediary to serve as a fiscal agent, may be found jointly and severally liable with respect to the unemployment tax liability of a domestic employer. This will provide an incentive for fiscal agents to correctly report wages for employers and to properly pay UI tax.





## Collection Tools

Wisconsin is very successful at recovering overpayments when they do occur. According to an internal UI longitudinal state study, over a ten-year period 82.5 percent of fraud and 80 percent of non-fraud overpayments are collected.

In 2018, the division recovered \$20 million in overpayments, including more than \$5.7 million in debts older than five years. This was achieved by utilizing the various mechanisms outlined below:

**Tax Refund Intercept** – The division is able to intercept employer and claimant state and federal tax refunds. The division participates in the Treasury Offset Program (TOP) to intercept federal tax refunds. By utilizing the tools available through TOP, the division recovered \$2.6 million in fraud overpayments, penalties, and collection costs and almost \$700,000 in non-fraud overpayments. In February 2017, the division started to recover delinquent tax contributions, interest, and penalties through TOP. In 2018, receipts related to employer TOP totaled almost \$600,000. In addition, rather than have their tax refund intercepted, employers paid \$300,000 upon receipt of the Notice of Intent to Certify Debt to IRS for a total collection attributable to employer TOP of almost \$900,000.

**Benefit Offset** – Benefits are withheld from a claimant as an offset for an overpayment. The claimant does not receive UI benefit payments until the overpayment has been repaid.

**Out of State Offset** – Wisconsin UI can have another state withhold unemployment benefits to a claimant in that state to repay a Wisconsin overpayment.

**Bankruptcy** – Fraud debts are not dischargeable in bankruptcy. Division attorneys file adversary petitions to dispute discharge of the debt. A claim is also filed against the assets of the debtor.

**Warrants** – A lien is placed on the debtor's personal property to secure repayment of a delinquent debt.

**Levy Against Wages and Bank Accounts** – A levy is issued against wages, bank accounts, or any property belonging to the debtor.

**Financial Record Matching Program** – A financial record matching program is used by UI debt collectors to identify the bank accounts of delinquent UI debtors.

**Secured Liens for Benefit Overpayments** – The 2017 UIAC agreed-upon bill included a change that gives the division enhanced ability to recover unemployment-related debts. The amended lien provision in state law provides consistency for claimant and employer debts. In addition, an amended provision is intended to assist in collecting fraud and non-fraud overpayments in bankruptcy court.



**The UI Division recovered \$20 million in overpayments in 2018, returning the funds to the UI Trust Fund**

## Prosecution

### *Criminal Referrals for UI Fraud*

The division pursues criminal prosecution in cases of egregious fraudulent activity, and works cooperatively with district attorneys, the Wisconsin Department of Justice (DOJ), and federal prosecutors.

In 2018, 149 cases (with a total dollar amount of over \$1.4 million) were referred for potential state criminal prosecution.

Professional division staff investigate complex fraud cases. Many of these professionals have past experience in law enforcement.

All criminal investigations completed by benefit fraud investigators are referred to our Bureau of Legal Affairs (BOLA) for review by legal and investigative staff to ensure the investigations meet division standards for prosecution.

After review, BOLA staff refer the cases to either a county district attorney or the DOJ. BOLA acts as the liaison between the division and the prosecuting agency as the case moves through the criminal justice system. BOLA staff serve as advocates at sentencing for the division and for the claimants and employers who properly utilize the UI program.

The UI Division continues to partner with the Worker's Compensation Division to jointly fund a full-time assistant attorney general (AAG) position at DOJ. The AAG prosecutes Unemployment Insurance fraud primarily in Milwaukee County and Worker's Compensation fraud statewide. The AAG also provides advice and guidance to local prosecutors on UI fraud cases.

In addition, the division works with the U.S. Department of Labor, Office of Inspector General on complex fraud cases.

### *Enhanced UI Fraud Penalties*

Increased penalties for individuals who intentionally commit acts of unemployment benefit fraud went into effect in April 2018. Previously, the criminal penalty for knowingly making a false statement or representation to obtain UI benefits was an unclassified misdemeanor. 2017 Wisconsin Act 147 revised the criminal penalties for UI fraud to a structured scale that increases with the dollar amount of benefits fraudulently obtained, making the penalties for UI fraud consistent with those of other types of theft.



**"DWD's enhanced program integrity efforts are critical to identifying and eliminating unemployment benefit fraud, which helps ensure a fair system with the financial resources to assist workers who lose their job through no fault of their own."**

**- Scott Manley, UIAC Member**

# ADDENDA

## Addendum A – Overpayment Data

### HISTORICAL DATA ON BENEFIT PAYMENTS 2014-2018

Combined State & Federal	2018	2017	2016	2015	2014
Total Federal & State UI Paid	\$416,023,272	\$453,715,534	\$511,891,628	\$605,481,027	\$732,327,104
+ <b>Fraud Overpayment<sup>1</sup></b>	\$4,900,271	\$5,016,369	\$8,655,187	\$13,384,998	\$20,455,759
Number of Cases	4,755	5,132	8,438	9,793	13,034
Avg. Overpayment	\$1,031	\$977	\$1,026	\$1,367	\$15,569
+ <b>Non-Fraud Overpayment<sup>1</sup></b>	\$8,202,583	\$8,922,443	\$8,902,765	\$11,878,072	\$16,891,299
Number of Cases	44,634	48,484	59,362	78,851	105,758
Avg. Overpayment	\$184	\$184	\$150	\$151	\$160
= <b>OVERPAYMENT TOTALS</b>	\$13,102,854	\$13,938,812	\$17,557,952	\$25,263,070	\$37,347,058
NUMBER OF CASES TOTAL	49,389	53,616	67,800	88,644	118,792
Avg. Overpayment	\$265	\$260	\$259	\$285	\$314

<sup>1</sup>Overpayment figures reflect the amounts detected in the stated calendar year. A portion of those overpayments would have been disbursed in prior calendar years.

### FRAUD OVERPAYMENT DETECTION AMOUNTS AND DECISIONS BY SOURCE FOR 2017-2018

Detection Method	2018		2017	
	Amount	Decisions	Amount	Decisions
Wage Record Cross-Match	\$1,397,016	1,130	\$1,621,722	1,265
Agency Detection - Not Covered by Other Codes	\$1,252,327	1,059	\$1,331,325	1,140
State New Hire Cross-Match	\$528,398	935	\$502,833	965
Liable Employer Protests Benefit Charges	\$417,559	501	\$434,745	525
Tips and Leads from Other than Liable Employer	\$383,799	243	\$250,602	197
Audit of Work Search	\$181,230	124	\$210,709	184
Post Verification - No Wages Reported	\$161,292	158	\$161,322	134
Post Verification of Wages	\$155,638	35	-	-
Claimant Initiated	\$149,921	328	\$192,267	434
National New Hire Cross-Match	\$126,597	71	\$123,782	70
Appriss Inmate Cross-Match	\$55,053	85	\$41,875	98
Interstate Cross-Match	\$53,297	52	\$62,124	65
Quality Control	\$24,490	16	\$22,212	16
Fictitious Employer Cases	\$8,844	13	\$9,078	19
Inmate Cross-Match	\$2,960	3	\$28,081	14
Field Audit Discoveries	\$1,850	2	\$3,783	1
Reversals	\$0	0	\$18,999	2
State Payroll Cross-Match	\$0	0	\$573	2
Federal Wage Cross-Match	\$0	0	\$337	1
<b>Total</b>	<b>\$4,900,271</b>	<b>4,755</b>	<b>\$5,016,369</b>	<b>5,132</b>

## Addendum A continued - Overpayment Data

### NON-FRAUD OVERPAYMENT DETECTION AMOUNTS AND DECISIONS BY SOURCE FOR 2017-2018

Detection Method	2018		2017	
	Amount	Decisions	Amount	Decisions
Audit of Work Search	\$3,074,081	6,060	\$3,099,373	6,137
Post Verification of Wages	\$1,389,187	29,274	\$1,404,792	31,494
Liabile Employer Protests Benefit Charges	\$1,006,383	2,517	\$1,091,571	2,724
Agency Detection - Not Covered by Other Codes	\$728,450	1,466	\$1,064,338	1,844
Reversals	\$578,859	313	\$502,009	278
Claimant Initiated	\$569,669	2,304	\$826,493	3,054
Tips and Leads from Other than Liabile Employer	\$272,431	689	\$258,182	690
Wage Record Cross-Match	\$205,390	528	\$245,547	579
State New Hire Cross-Match	\$155,451	642	\$199,917	807
Post Verification - No Wages Reported	\$107,837	614	\$114,559	602
Quality Control	\$41,250	85	\$58,172	108
SSDI Cross-Match*	\$26,713	16	-	-
Appriss Inmate Cross-Match	\$26,595	68	\$39,670	123
Field Audit Discoveries	\$14,956	34	\$4,440	1
National New Hire Cross-Match	\$3,371	17	\$6,848	24
Federal Wage Cross-Match	\$1,062	2	\$0	0
Inmate Cross-Match	\$886	4	\$5,262	15
Interstate Cross-Match	\$12	1	\$1,270	4
<b>Total</b>	<b>\$8,202,583</b>	<b>44,634</b>	<b>\$8,922,443</b>	<b>48,484</b>

\*SSDI crossmatch was implemented in August 2018

## Addendum B – Collection Data

### OVERPAYMENT RECOVERIES IN 2018 BY YEAR OF THE DECISION

Year Identified	Fraud	Non-fraud	Total
2018	\$647,351	\$4,882,716	\$5,530,067
2017	\$1,889,093	\$1,616,101	\$3,505,194
2016	\$1,105,699	\$362,652	\$1,468,351
2015	\$968,118	\$231,163	\$1,199,281
2014	\$1,080,700	\$269,253	\$1,349,953
2013	\$1,020,193	\$321,946	\$1,342,139
Older Than Five Years	\$4,010,065	\$1,735,525	\$5,745,590
<b>Total collected in 2018</b>	<b>\$10,721,219</b>	<b>\$9,419,356</b>	<b>\$20,140,575</b>

## Addendum B continued – Collection Data

### BENEFIT OVERPAYMENT RECOVERIES 2014 - 2018

Federal Tax Offset Program Recoveries	2018	2017	2016	2015	2014
Fraud	\$2,584,192	\$4,046,395	\$5,713,579	\$7,495,899	\$8,206,781
Non-Fraud	\$166,405	\$293,010	\$591,933	\$867,815	\$1,030,964
Other*	\$508,653	\$677,632	\$549,526	\$692,655	\$409,503
<b>Total</b>	<b>\$3,259,250</b>	<b>\$5,017,037</b>	<b>\$6,855,038</b>	<b>\$9,056,369</b>	<b>\$9,647,248</b>

State Tax Offset Program Recoveries	2018	2017	2016	2015	2014
Fraud	\$627,995	\$939,187	\$1,323,466	\$1,516,003	\$2,219,663
Non-Fraud	\$855,692	\$907,126	\$1,276,997	\$1,655,580	\$2,555,895
Other*	\$248,908	\$376,553	\$390,332	\$358,514	\$255,895
<b>Total</b>	<b>\$1,732,595</b>	<b>\$2,222,866</b>	<b>\$2,990,795</b>	<b>\$3,530,097</b>	<b>\$5,031,453</b>

Intercept of Unemployment Benefits	2018	2017	2016	2015	2014
Fraud	\$411,538	\$477,693	\$619,255	\$782,127	\$1,325,031
Non-Fraud	\$4,064,752	\$4,360,089	\$4,551,321	\$5,481,994	\$7,448,546
Other*	\$9,247	\$9,080	\$10,482	\$16,066	\$12,076
<b>Total</b>	<b>\$4,485,537</b>	<b>\$4,846,862</b>	<b>\$5,181,058</b>	<b>\$6,280,187</b>	<b>\$8,785,653</b>

Checks, EFT Payments, & Recoupments from Other States	2018	2017	2016	2015	2014
Fraud	\$7,097,494	\$8,789,594	\$10,401,445	\$10,925,165	\$10,022,181
Non-Fraud	\$4,332,507	\$4,666,413	\$5,461,918	\$6,782,314	\$7,650,981
Other*	\$1,513,384	\$1,749,807	\$2,000,422	\$1,726,034	\$1,521,323
<b>Total</b>	<b>\$12,943,385</b>	<b>\$15,205,814</b>	<b>\$17,863,785</b>	<b>\$19,433,513</b>	<b>\$19,194,485</b>

\*Other includes items such as penalties and collection costs

## Addendum B continued – Collection Data

### FORFEITURE ASSESSMENT AND COLLECTION, BENEFIT AMOUNT REDUCTION AND PENALTY ASSESSMENT AND COLLECTION 2014-2018

<b>Other Fraud-Related Activity</b>					
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Forfeitures Assessed	\$137,705	\$114,996	\$295,848	\$716,823	\$2,073,555
Benefit Amount Reduction	\$13,183,450	\$13,912,308	\$22,480,473	\$30,152,510	\$43,264,146
Penalties Assessed	\$1,899,471	\$1,961,063	\$3,368,650	\$2,532,081	\$2,823,964
<b>Recovered for All Years Assessed</b>					
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Forfeitures Collected	\$267,229	\$531,459	\$1,109,493	\$1,748,211	\$3,309,935
BAR Satisfied	\$4,115,052	\$4,405,349	\$5,292,259	\$5,050,371	\$5,133,741
Penalties Collected	\$1,874,976	\$2,313,408	\$2,362,788	\$2,133,735	\$1,774,331
<b>Overpayments Collected</b>					
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Fraud	\$10,721,219	\$14,252,869	\$18,057,745	\$20,719,194	\$21,773,656
Non-Fraud	\$9,419,356	\$10,226,638	\$11,882,169	\$14,787,703	\$18,686,386
<b>Total</b>	<b>\$20,140,575</b>	<b>\$24,479,507</b>	<b>\$29,939,914</b>	<b>\$35,506,897</b>	<b>\$40,460,042</b>





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