



Unemployment Insurance Advisory Council

Meeting Agenda

March 19, 2026, 10:00 a.m. – 4:00 p.m.

Department of Workforce Development via teleconference only

The public may attend by teleconference.

Phone: 415-655-0003 or 855-282-6330 (toll free) or [WebEx](#)
Meeting number (access code): 2661 377 5731 Password: DWD1

Materials: <https://dwd.wisconsin.gov/uibola/uiac/meetings.htm>

1. Call to order and introductions
2. Approval of minutes of the February 19, 2026 UIAC meeting
3. Department update
4. Trust Fund update
5. [2026 Fraud Report](#)
6. Legislation update
 - Various changes to the unemployment insurance law (UIAC Agreed-Upon Bill) ([AB 652](#) / [SB 677](#))
 - Funding for identity verification under the unemployment insurance law and making an appropriation (UIAC Agreed-Upon Bill) ([AB 650](#) / [SB 675](#))
7. Research requests
8. Future meeting dates: May 21, September 17, October 15
9. Adjourn

Notice

- ❖ The Council may take up action items at a time other than that listed.
- ❖ The Council may not address all agenda items or follow the agenda order.
- ❖ The Council members may attend the meeting by teleconference or videoconference.
- ❖ The employee or employer representative members of the Council may convene in closed session at any time during the meeting to deliberate any matter for potential action or items listed in this agenda, under Wis. Stat. § 19.85(1)(ee). The Council may then reconvene again in open session after the closed session.
- ❖ This location is accessible to people with disabilities. If you need an accommodation, including an interpreter or information in an alternate format, please contact the UI Division Bureau of Legal Affairs at 608-266-0399 or dial 7-1-1 for Wisconsin Relay Service.

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL

Meeting Minutes

Offices of the State of Wisconsin Department of Workforce Development

201 E. Washington Avenue, GEF 1, Madison, WI

February 19, 2026

Held Via Teleconference

The meeting was preceded by public notice as required under Wis. Stat. § 19.84.

Members: Janell Knutson (Chair), David Bohl, Sally Feistel, Corey Gall, Shane Griesbach, Scott Manley, Crystal Martzall, Kent Miller, and Susan Quam.

Department Staff: Secretary Amy Pechacek, Jim Chiolino (UI Division Administrator), Jason Schunk (UI Deputy Division Administrator), Andy Rubsam, Darren Magee, Mike Myszewski, Shashank Partha, Linda Hendrickson, Jeff Laesch, Rob Usarek, Ashley Gruttke, Deena Driese, Jim O'Malley, Lynn Weinberger, Kelly McCormick, Cathy Lake, Frank Salvi, Jennifer Wakerhauser (General Counsel), Rachel Harvey (Legislative Advisor), and Joe Brockman.

Members of the Worker's Compensation Advisory Council: John Dipko (Chair), James A. Buchen, Wendy Whitehead, Nichole Kosnicki, Rachel Ver Velde, Stephanie Bloomingdale, Ron Kent, Brett Large, William A. Reese, and Dave Nettum

Members of the Public: Representative Rick Gundrum, Christian Lubke (Office of Representative Rick Gundrum), Zach Solomon (Office of Representative Rick Gundrum), Jess Alanis (Travelers), John Cronin (Sentry Insurance), Frank Eaves (Kare), Andy Engel (Hamilton Consulting), Victor Forberger (Attorney, Wisconsin UI Clinic), Andy Franken (Wisconsin Insurance Alliance), Desa Calder Greene (Travelers), Steve Kluender (Previant), Joe Leibham (Foley & Lardner), Kate McCoy (Wisconsin Department of Health Services), Matt Orlins (Clipboard Health), Dan Pascale (Travelers), Steven Peters (Enlyte), Chris Votour (Travelers), Katie Wells (AI Now Institute), Pamela Wendt (Society Insurance), Anna Wiegel, and one unknown audio participant.

1. Call to Order and Introductions

Ms. Knutson called the Unemployment Insurance Advisory Council to order at 1:03 p.m. under the Wisconsin Open Meetings Law. Attendees were introduced by roll call. Ms. Knutson acknowledged the Department staff and members of the Worker's Compensation Advisory Council (WCAC) in attendance.

2. Correspondence / Remarks from Rep. Gundrum

Ms. Knutson welcomed Representative Rick Gundrum who was joined in-person by Christian Lubke, staff member.

Rep. Gundrum described bills AB 794 / SB 768, explaining they aim to bring clarity and consistency to the application of worker classification tests for healthcare worker platforms. Rep. Gundrum advised the bills could help address the projected healthcare workforce shortage. He explained the healthcare worker platforms allow healthcare facilities to post available shifts for healthcare professionals to pick up as independent contractors. These platforms allow facilities to find help when they need it and allow healthcare professionals to earn extra income when they have flexibility in their schedule. He stated these platforms differ from traditional staffing agencies and serve a different purpose. Rep. Gundrum summarized testimony from healthcare professionals, facilities, and platforms presented at the Assembly and Senate hearings in support of the bills. He explained the bills would set a clear set of standards for worker classification tests for healthcare professionals using healthcare worker platforms.

Ms. Knutson opened the floor to questions or comments from Council members.

Mr. Manley asked if the bills address liability coverage for the shifts independent contractors work. Rep. Gundrum responded the bills require the platform have their own general and professional liability coverage for shifts scheduled through the platform, so the shifts will be covered.

Ms. Martzall asked for clarification on how these platforms intersect or differ from current staffing agency models. Rep. Gundrum responded that staffing agencies intake shifts from customers and direct individuals to fill them and if the agency uses an employee model, the agency can direct an employee to fill a shift and fire them if they refuse. Platform professionals get to choose when, where, and how much they work or choose not to use the platform at all.

Ms. Martzall asked if this model removes the agency from the process and asked who is administrating the platform. Rep. Gundrum answered that the platform is probably set up the same way as the staffing agency, with more flexibility than going through a staffing agency.

Ms. Martzall asked if the platform picks who gets assigned to shifts and who is running the platform if there are issues. Rep. Gundrum answered the healthcare professional would sign up with the platform as a worker and have their credentials and preferences posted, then the recruitment department from the facility would see who is available.

Ms. Martzall asked if the state is going to be the owner and administrator of the technology that holds the platform. Rep. Gundrum clarified the platforms are not state-run, but privately operated.

Ms. Martzall asked who makes the payments to the workers and if the workers are issued 1099s or W-2s. Ms. Knutson asked if the workers are paid by the facility or by the platform owner. Rep. Gundrum answered the platform generally issues the payment electronically after a shift is completed.

Ms. Martzall asked if the platform is strictly pass-through or if the healthcare professionals are considered W-2 or 1099 workers for the platform. She asked about how tax withholdings work for professionals. Rep. Gundrum answered that he had experience as an independent contractor who got paid directly from whoever hired him and he got paid after work was completed or halfway through.

Ms. Martzall followed up asking if the platform is operating as a different staffing agency. Rep. Gundrum confirmed that was correct, but the platform offers more flexibility.

Ms. Martzall asked how this model will fix the healthcare staffing crisis. Rep. Gundrum responded it gets people back into the workforce that need to have a flexible schedule. He explained that part of the workforce wanting flexibility is being overlooked. Rep. Gundrum gave examples of standard work for a facility where a professional works under the facility's terms, can't take vacation if not eligible, where this platform model allows the healthcare professional the flexibility if they want to take time off, they can and still be able to work for that facility when they become more available.

Ms. Martzall clarified the healthcare professionals would not be eligible for UI even if they met the required number of hours to otherwise be eligible. Ms. Martzall asked who is designated as a healthcare worker under the bill. Rep. Gundrum answered individuals who work in the medical field. Ms. Martzall followed up asking if food service, environmental services, laundry, or administrative roles would be considered healthcare workers. Rep. Gundrum answered yes, those roles could be included as well, though platforms almost exclusively cover RNs, LPNs, and CNAs.

Mr. Miller asked if professionals who work full-time at a facility could pick up additional shifts with the same facility through the platform. Rep. Gundrum confirmed.

Ms. Feistel raised concerns about some of Rep. Gundrum's responses. She asked if there is anything in the bills to address state laws for overtime after 40 hours/week and if this would take hours away from healthcare professionals currently employed by the facility. Rep. Gundrum answered his experience as an independent contractor did not include overtime. Mr. Manley answered facilities want to use these platform-based models for staffing because they're understaffed. He stated it is extremely unlikely that this model would be used to take hours away from current employees. Rep. Gundrum answered the platform would not be used to take hours away from full-time employees due to the staffing shortage. He stated there are safeguards to make sure a professional isn't overworked such as obligations for their professional license, and that platforms may also have default rest times in place.

Ms. Knutson opened the floor to questions or comments from WCAC members.

Ms. Kosnicki asked if the independent contractors need to provide evidence of insurance. Rep. Gundrum answered platforms need to carry their own general and professional liability insurance for shifts booked through the platform. He stated if there is an accident, the platform will have coverage applied to that shift.

Ms. Kosnicki asked what happens when an individual is injured on the job. She asked if individuals need to provide evidence of medical insurance before using the platform. Rep. Gundrum stated individuals are covered by occupational accident and worker's compensation insurance for shifts booked through the platform.

Ms. Kosnicki asked for additional clarification since 1099 employees are excluded from worker's compensation coverage. Rep. Gundrum answered worker's compensation is being paid by the platform so the individuals will be eligible. Ms. Kosnicki asked if platforms will use the individuals' status as 1099 employees as a defense to worker's compensation claims. Rep. Gundrum stated he doesn't think that will happen. Ms. Kosnicki advised she sees that defense frequently in the general contracting space and could foresee that happening in this space as well. Rep. Gundrum advised he will into it and follow up.

Ms. Whitehead asked if this platform model is similar to the business model used by driver technology platforms. Rep. Gundrum answered these platforms typically collect an administrative fee in addition to the amount owed to the healthcare professional for each shift worked.

Ms. Whitehead asked how these platforms ensure patient safety and that healthcare professionals have the necessary qualifications. Rep. Gundrum answered the platforms verify individuals' state-issued credentials.

Ms. Whitehead asked how healthcare professionals understand facility-specific patient safety protocols if they're contracting at different facilities. Rep. Gundrum answered facilities would provide details before the professional starts work with the facility. Ms. Whitehead asked if all work materials are provided by the facility. Rep. Gundrum confirmed correct.

Ms. Whitehead asked how platforms address disciplinary or performance issues. For example, what are protocols in place to ban individuals from using the platform so they aren't putting patients at risk in other locations. Rep. Gundrum answered some platforms allow facilities to designate professionals as ineligible to book through the platform and that the Department of Health Services or Department of Safety and Professional Services would address that issue. Ms. Whitehead asked if there is any language in the bills to ensure the platforms implement banning protocols. Rep. Gundrum answered he will look into it and follow up.

Ms. Whitehead asked if there is an existing market for healthcare professionals to purchase their own worker's compensation coverage and if so, if it is reasonably priced. Rep. Gundrum answered he does not know.

Ms. Whitehead asked if facilities have tried to provide flexibility offered through the platform model to their own W-2 employees. Rep. Gundrum answered facilities would be able to do something like this.

Ms. Knutson asked about the amendment to the bills and for clarification that worker's compensation coverage was excluded for these workers. Rep. Gundrum answered that was a concern. Ms. Knutson advised the amendment notes that the platform would provide liability coverage. Rep. Gundrum confirmed. Ms. Knutson confirmed the healthcare professionals would not be covered by worker's compensation coverage but may be covered by other insurance.

Ms. Bloomingdale raised concerns about the bills including no measures to prevent facilities from using the platform to hire healthcare professionals without benefits and take away the hours from the facility's full-time staff; patient safety; considerations for difference between professional licensed staff and unlicensed workers; removal of the worker classification tests from worker's compensation and unemployment insurance law to create a new test and standard for the platform users. She stated it's important that workers are able to access worker's compensation and unemployment benefits which are good for the workers and the liability of the employers.

Sec. Pechacek summarized the Department's testimony on these bills. She explained these bills create another carveout and another test which complicates worker classification. She advised that labor and management want a more streamlined and uniform test and that the Department will be proposing such a test. She explained the Task Force on the Healthcare Workforce has recommendations on policies that can help address the healthcare workforce shortage without taking away worker

protections. She stated this legislation takes away worker's compensation coverage and taking away worker protections is not the solution to the worker quantity challenge.

Ms. Ver Velde stated Wisconsin Manufacturers & Commerce is invested in independent contractor uniformity and looks forward to seeing the Department's proposal.

Mr. Buchen asked if the last day of the Assembly session was today. Rep. Gundrum answered it is tomorrow, but there are other days set aside where the Assembly could come back. Mr. Buchen asked if the bills have passed either house. Rep. Gundrum answered they have made it out of committee in both houses.

3. Approval of Minutes of the September 24, 2025, UIAC Meeting

Motion by Mr. Manley, second by Mr. Griesbach, to approve the minutes of the September 24, 2025, meeting without correction. Vote was taken by voice vote and passed unanimously.

4. Department Update

Mr. Chiolino alerted the Council to the Department's January 20 press release announcing the availability of 1099-G income tax statements for claimants. Mr. Chiolino explained the tax statements are easily accessible online through their Claimant Portal. Ms. Knutson asked about individuals who cannot access the 1099s online. Mr. Chiolino stated that statements are mailed automatically to individuals with exceptions from filing online.

5. Quarterly Reports on UI Information Technology Systems (7/1/25 – 9/30/25 and 10/1/25 – 12/31/25)

Ms. Knutson stated that the reports for the third and fourth quarters of 2025 are in members' packets.

6. Trust Fund Update

Mr. Partha reviewed the Trust Fund highlights based on the December 31, 2025 Financial Statements. Benefit payments through December 2025 declined by \$35.5 million or 9.7% (when compared to last year). Tax receipts through December 2025 declined by \$52.4 million or 9.4% (when compared to last year). The UI Trust Fund balance was over \$2.1 billion, which is an increase of 13% (when compared to last year). Interest earned on the UI Trust Fund is received quarterly and is up 24.3%.

Ms. Knutson noted the rate schedule remains in Schedule D.

7. UIAC Activities Report

Ms. Knutson informed the Council that the Secretary's report on UIAC activities was issued on January 31 as required by statute. Ms. Knutson advised the electronic report was emailed to members and is also available online.

8. Legislation Update

Various changes to the unemployment insurance law (UIAC Agreed-Upon Bill) (AB 652 / SB 677)

Mr. Rubsam advised the "policy bill" passed by the Assembly and the Senate committee. The bill has not yet passed the Senate.

Funding for identity verification under the unemployment insurance law and making an appropriation (UIAC Agreed-Upon Bill) (AB 650 / SB 675)

Mr. Rubsam explained the "appropriations bill" passed the Assembly and the Senate committee. The bill has not yet passed the Senate.

Employee misclassification (AB 462)

Mr. Rubsam stated that this bill requires certain changes regarding employee misclassification, like requiring employers to post notice posters, removing caps for misclassification penalties, permitting misclassification penalties for all types of employers, increasing worker's compensation penalties for misclassification, and establishing a construction contractor registration system. This bill was introduced but has not had a hearing. Mr. Rubsam noted there is no Senate companion to this Assembly bill.

Unemployment insurance work search and registration and granting rule-making authority (AB 467 / SB 471)

Mr. Rubsam advised this bill has been introduced but has not yet had a hearing in either chamber. He explained this bill would remove work search waiver requirements from statute but allow DWD to allow waivers for work search and registration by rule. The bill also includes provisions to establish a waiver by emergency rule if DWD determines a waiver is necessary on a temporary basis and specifies work search does not apply to individuals laid off with a reasonable expectation to return to work.

Various changes to the unemployment insurance and worker's compensation laws (substantial fault repeal; attendance misconduct; repeal drug testing and pre-employment drug testing requirements) (AB 468 / SB 486)

Mr. Rubsam explained this bill would repeal the substantial fault disqualification which would also change misconduct provisions regarding *Bevco Precision Mfg. Co. v. Wisconsin Lab. & Indus. Rev. Comm'n*, 2024 WI App 54, and repeal drug testing and pre-employment drug testing disqualifications. There has not yet been a hearing on this bill.

The unemployment insurance waiting period (AB 469 / SB 457)

Mr. Rubsam stated this bill would repeal the waiting week. There has not yet been a hearing on this bill.

Allowing Social Security Disability Insurance recipients to receive concurrent unemployment insurance benefits (AB 508 / SB 507)

Mr. Rubsam explained this bill would repeal the statute that makes people ineligible for UI if they are currently receiving federal Social Security Disability Insurance (SSDI) benefits. This bill was introduced but there has not yet been a hearing.

Unemployment insurance benefits (AB 532 / SB 515)

Mr. Rubsam stated this bill would increase the maximum weekly benefit rate from \$370 to \$497 for 2026 and increase the wage cap from \$500 to \$672 for 2026. After January 3, 2027, the maximum benefit rate would increase based on the consumer price index and continue the same increase future years. This bill was introduced but there has not yet been a hearing.

Regulating medical cannabis, the prescription drug monitoring program, and providing a penalty (AB 547 / SB 534)

Mr. Rubsam advised this bill relates to UI by amending the specific misconduct statute relating to drug use so that a workplace policy may include a drug-free workplace and that employers can test for tetrahydrocannabinols. This bill has not yet had a hearing in the Assembly. This bill has passed out of Senate committee but there has not yet been a floor vote in the Senate.

Various changes to the unemployment insurance law (suitable work, quits due to relocations) (AB 622 / SB 500)

Mr. Rubsam explained this bill relates to suitable work and quit exceptions. Suitable work for UI purposes has different standards depending on time elapsed since unemployed, and when the claimant is required to accept lesser paying work, changing provisions to 10 weeks elapsed rather than six. There is a related quit exception that says a person may be eligible for UI even though they quit if they quit and accepted work that was not suitable under the UI law or they could have refused or terminated within 30 days after starting work. The exemption applies after 10 weeks rather than 30 days.

This bill also addresses the quit exception related to relocating spouses. Currently, if an active duty military member is relocated and the non-military spouse quits to relocate, the spouse is eligible for benefits. This bill would broaden the spouse relocation exception to all situations where a spouse relocates for work. This bill was introduced but there has not yet been a hearing.

9. Research Requests

There were no outstanding or new research requests.

10. Future Meeting Dates

Ms. Knutson stated that the scheduled future meeting dates are:

- March 19, 2026
- April 16, 2026
- May 21, 2026

Mr. Manley asked if there had been any decision about meeting in June, July, and August. The Council discussed preferences for meeting over the summer. The Council will plan to recess in June, July, and August.

11. Adjourn

Motion by Mr. Griesbach, second by Mr. Manley, to adjourn. Vote was taken by voice vote and passed unanimously. The Council adjourned at 2:16 p.m.

UI Reserve Fund Highlights

March 19, 2026

- Benefit payments through February 2026 declined by \$7.8 million or 9.5% when compared to benefits paid through February 2025.

Benefits Paid	2026 YTD* <i>(in millions)</i>	2025 YTD* <i>(in millions)</i>	Change <i>(in millions)</i>	Change <i>(in percent)</i>
Total Regular UI Paid	\$74.3	\$82.1	(\$7.8)	(9.5%)

- Tax receipts through February 2026 declined by \$3.6 million or 7.0% when compared to tax receipts through February 2025.

Tax Receipts	2026 YTD* <i>(in millions)</i>	2025 YTD* <i>(in millions)</i>	Change <i>(in millions)</i>	Change <i>(in percent)</i>
Total Tax Receipts	\$47.6	\$51.2	(\$3.6)	(7.0%)

- The February 2026 Trust Fund ending balance was above \$2.0 billion, an increase of 13.5% when compared to the same time last year.**

UI Trust Fund Balance	February 2026 <i>(in millions)</i>	February 2025 <i>(in millions)</i>	Change <i>(in millions)</i>	Change <i>(in percent)</i>
Trust Fund Balance	\$2,077.9	\$1,831.3	\$246.6	13.5%

- Interest earned on the Trust Fund is received quarterly.

UI Trust Fund Interest	2026 YTD* <i>(in millions)</i>	2025 YTD* <i>(in millions)</i>	Change <i>(in millions)</i>	Change <i>(in percent)</i>
Total Interest Earned	\$0.0	\$0.0	\$0.0	N.A.

*All calendar year-to-date (YTD) numbers are based on the February 28, 2026 Financial Statements.

**If the UI Trust Fund balance is \$1.2 billion or more on June 30, Schedule D applies for the following year. The UI Trust Fund balance was over \$2.0 billion as of June 30, 2025 and therefore Schedule D will continue to be in effect for 2026 tax year.

FINANCIAL STATEMENTS

For the Month Ended February 28, 2026



Unemployment Insurance Division

Bureau of Tax and Accounting

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCE SHEET
FOR THE MONTH ENDED February 28, 2026

<u>ASSETS</u>	<u>CURRENT YEAR</u>	<u>PRIOR YEAR</u>
CASH:		
U.I. CONTRIBUTION ACCOUNT	(595,065.17)	49,562.50
U.I. BENEFIT ACCOUNTS	(199,041.96)	(295,772.57)
U.I. TRUST FUND ACCOUNTS (1) (2) (3)	<u>2,115,271,884.52</u>	<u>1,880,361,142.37</u>
TOTAL CASH	<u>2,114,477,777.39</u>	<u>1,880,114,932.30</u>
ACCOUNTS RECEIVABLE:		
BENEFIT OVERPAYMENT RECEIVABLES	155,466,963.49	171,434,874.32
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (4)	<u>(52,741,793.79)</u>	<u>(56,225,118.14)</u>
NET BENEFIT OVERPAYMENT RECEIVABLES	102,725,169.70	115,209,756.18
TAXABLE EMPLOYER RFB & SOLVENCY RECEIV (5) (6)	44,121,504.77	32,756,268.67
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (4)	<u>(18,666,500.48)</u>	<u>(21,596,823.52)</u>
NET TAXABLE EMPLOYER RFB & SOLVENCY RECEIV	25,455,004.29	11,159,445.15
OTHER EMPLOYER RECEIVABLES	28,667,711.95	23,065,302.54
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	<u>(8,689,646.10)</u>	<u>(8,938,723.05)</u>
NET OTHER EMPLOYER RECEIVABLES	19,978,065.85	14,126,579.49
TOTAL ACCOUNTS RECEIVABLE	<u>148,158,239.84</u>	<u>140,495,780.82</u>
TOTAL ASSETS	<u><u>2,262,636,017.23</u></u>	<u><u>2,020,610,713.12</u></u>
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES:		
CONTINGENT LIABILITIES (7)	88,275,471.85	91,910,497.97
OTHER LIABILITIES	25,216,886.53	34,542,530.79
FEDERAL BENEFIT PROGRAMS	(135,786.83)	2,431,477.79
CHILD SUPPORT HOLDING ACCOUNT	12,326.00	16,186.00
FEDERAL WITHHOLDING TAXES DUE	55,114.00	30,368.00
STATE WITHHOLDING TAXES DUE	2,056,906.49	2,121,521.00
DUE TO OTHER GOVERNMENTS (8)	<u>660,043.40</u>	<u>630,673.89</u>
TOTAL LIABILITIES	116,140,961.44	131,683,255.44
EQUITY:		
RESERVE FUND BALANCE	2,966,475,299.17	2,899,169,867.47
BALANCING ACCOUNT	<u>(819,980,243.38)</u>	<u>(1,010,242,409.79)</u>
TOTAL EQUITY	<u>2,146,495,055.79</u>	<u>1,888,927,457.68</u>
TOTAL LIABILITIES AND EQUITY	<u><u>2,262,636,017.23</u></u>	<u><u>2,020,610,713.12</u></u>

1. \$284,585 of this balance is for administration purposes and is not available to pay benefits.
2. \$1,385,619 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.
3. \$12,102,910 of this balance is Emergency Unemployment Compensation Relief (EUR) reserved exclusively for funding 50% of the benefits paid for Reimbursable Employers for UI Weeks 12/20-14/21 and 75% of the benefits paid for reimbursable employers for UI Weeks 15/21-36/21 per 2103 of the CARES Act, the Continued Assistance Act, and the American Rescue Act.
4. The allowance for uncollectible benefit overpayments is 35.9%. The allowance for uncollectible delinquent employer taxes is 51.0%. This is based on the historical collectibility of our receivables. This method of recognizing receivable balances is in accordance with generally accepted accounting principles.
5. The remaining tax due at the end of the current month for employers utilizing the 1st quarter deferral plan is \$0. Deferrals for the prior year were \$0.
6. \$25,505,070, or 57.8%, of this balance is estimated.
7. \$60,260,982 of this balance is net benefit overpayments which, when collected, will be credited to a reimbursable or federal program. \$28,014,490 of this balance is net interest, penalties, SAFI, and other fees assessed to employers; penalties and other fees assessed to claimants; and net LWA overpayments which, when collected, will be credited to the state fund.
8. This balance includes SAFI Payable of \$2,680. The 02/28/2026 balance of the Unemployment Interest Payment Fund (DWD Fund 214) is \$6,708. Total Life-to-date transfers from DWD Fund 214 to the Unemployment Program Integrity Fund (DWD Fund 298) are \$9,610,190.

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RESERVE FUND ANALYSIS
FOR THE MONTH ENDED February 28, 2026

	<u>CURRENT ACTIVITY</u>	<u>YTD ACTIVITY</u>	<u>PRIOR YTD</u>
BALANCE AT BEGINNING OF MONTH/YEAR:			
U.I. TAXABLE ACCOUNTS	3,458,091,708.85	3,458,621,349.74	3,385,346,039.05
BALANCING ACCOUNT	<u>(1,280,102,133.22)</u>	<u>(1,287,356,107.16)</u>	<u>(1,466,546,076.17)</u>
TOTAL BALANCE	2,177,989,575.63	2,171,265,242.58	1,918,799,962.88
INCREASES:			
TAX RECEIPTS/RFB PAID	1,040,451.00	34,588,706.00	37,492,395.66
ACCRUED REVENUES	3,678,834.71	1,688,065.15	726,165.24
SOLVENCY PAID	359,515.08	12,996,019.36	13,676,267.95
FORFEITURES	0.00	0.00	(6,272.00)
BENEFIT CONCEALMENT INCOME	110,595.24	199,372.48	253,590.90
FUTA TAX CREDITS	0.00	0.00	(2,637.00)
OTHER CHANGES	<u>22,756.95</u>	<u>54,687.08</u>	<u>99,239.15</u>
TOTAL INCREASES	5,212,152.98	49,526,850.07	52,238,749.90
DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	31,807,427.08	64,230,519.97	70,476,656.91
QUIT NONCHARGE BENEFITS	3,374,154.53	7,030,107.95	8,022,880.48
OTHER DECREASES	22,293.89	78,149.21	113,011.03
OTHER NONCHARGE BENEFITS	<u>1,502,797.32</u>	<u>2,958,259.73</u>	<u>3,498,706.68</u>
TOTAL DECREASES	36,706,672.82	74,297,036.86	82,111,255.10
BALANCE AT END OF MONTH/YEAR:			
RESERVE FUND BALANCE	2,966,475,299.17	2,966,475,299.17	2,899,169,867.47
BALANCING ACCOUNT	<u>(819,980,243.38)</u>	<u>(819,980,243.38)</u>	<u>(1,010,242,409.79)</u>
TOTAL BALANCE (9) (10) (11) (12)	<u><u>2,146,495,055.79</u></u>	<u><u>2,146,495,055.79</u></u>	<u><u>1,888,927,457.68</u></u>

9. This balance differs from the cash balance related to taxable employers of \$2,090,259,174 because of non-cash accrual items.

10. \$284,585 of this balance is set up in the Trust Fund in one subaccount to be used for administration purposes and is not available to pay benefits.

11. \$1,385,619 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

12. \$12,102,910 of this balance is Emergency Unemployment Compensation Relief (EUR) reserved exclusively for funding 50% of the benefits paid for Reimbursable Employers for UI Weeks 12/20-14/21 and 75% of the benefits paid for reimbursable employers for UI Weeks 15/21-36/21 per 2103 of the CARES Act, the Continued Assistance Act, and the American Rescue Act.

**DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RECEIPTS AND DISBURSEMENTS STATEMENT
FOR THE MONTH ENDED 02/28/2026**

RECEIPTS

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE</u>	<u>PRIOR YEAR TO DATE</u>
TAX RECEIPTS/RFB	\$1,040,451.00	\$34,588,706.00	\$37,492,395.66
SOLVENCY	359,515.08	12,996,019.36	13,676,267.95
ADMINISTRATIVE FEE	2.03	14.81	393.47
ADMINISTRATIVE FEE - PROGRAM INTEGRITY	7,521.43	308,743.20	306,224.75
UNUSED CREDITS	(615,883.48)	1,003,590.56	32,609.04
GOVERNMENTAL UNITS	880,955.58	1,803,808.47	1,759,231.94
NONPROFITS	941,458.86	1,784,108.13	1,469,602.32
INTERSTATE CLAIMS (CWC)	455,062.41	481,137.29	669,705.26
ERROR SUSPENSE	(20,043.33)	25,513.58	4,884.48
FEDERAL PROGRAMS RECEIPTS	291,580.16	481,052.07	(1,343,076.88)
OVERPAYMENT COLLECTIONS	2,313,352.81	3,823,032.24	4,685,127.28
FORFEITURES	0.00	0.00	(6,272.00)
BENEFIT CONCEALMENT INCOME	110,595.24	199,372.48	253,590.90
EMPLOYER REFUNDS	(834,906.80)	(1,175,068.68)	(1,884,221.22)
COURT COSTS	52,591.57	105,087.72	113,004.39
INTEREST & PENALTY	324,427.10	577,434.06	802,148.95
CARD PAYMENT SERVICE FEE	2,782.81	7,563.44	7,780.76
LWA O/P - I&P TFR IN FROM FEDERAL PROGRAM RECEIPTS	46,763.85	83,813.91	0.00
BENEFIT CONCEALMENT PENALTY-PROGRAM INTEGRITY	200,529.62	355,212.74	408,799.87
MISCLASSIFIED EMPLOYEE PENALTY-PROG INTEGRITY	0.00	6,179.36	1,817.50
LEVY NONCOMPLIANCE PENALTY-PROGRAM INTEGRITY	724.72	811.61	23,682.66
SPECIAL ASSESSMENT FOR INTEREST	50.00	562.18	129.92
MISCELLANEOUS	35,593.51	48,989.98	22,157.03
TOTAL RECEIPTS	<u>\$5,593,124.17</u>	<u>\$57,505,684.51</u>	<u>\$58,495,984.03</u>

DISBURSEMENTS

CHARGES TO TAXABLE EMPLOYERS	\$33,324,635.19	\$67,497,223.85	\$75,176,710.19
NONPROFIT CLAIMANTS	741,570.02	1,598,440.51	1,448,130.46
GOVERNMENTAL CLAIMANTS	845,303.46	1,768,679.65	1,722,156.32
INTERSTATE CLAIMS (CWC)	336,341.21	723,851.09	640,742.43
QUITS	3,374,154.53	7,030,107.95	8,022,880.48
OTHER NON-CHARGE BENEFITS	1,402,900.11	2,802,130.08	3,471,644.90
CLOSED EMPLOYERS	25,086.79	78,214.04	(6,712.62)
FEDERAL PROGRAMS			
FEDERAL EMPLOYEES (UCFE)	124,946.86	177,870.41	174,629.75
EX-MILITARY (UCX)	17,479.22	42,257.42	72,708.46
TRADE ALLOWANCE (TRA/TRA-NAFTA)	(232.00)	(712.00)	4,188.07
DISASTER UNEMPLOYMENT (DUA)	0.00	3,433.00	0.00
WORK-SHARE (STC)	(600.48)	(674.49)	(97.36)
FEDERAL PANDEMIC UC (FPUC)	340,460.38	726,071.08	(1,286,983.09)
LOST WAGES ASSISTANCE \$300 ADD-ON (LWA)	(39,263.85)	(76,313.91)	(103,147.54)
MIXED EARNERS UC (MEUC)	0.00	2,600.00	0.00
PANDEMIC UNEMPLOYMENT ASSISTANCE (PUA)	(75,960.94)	(148,004.94)	(177,354.94)
PANDEMIC EMERGENCY UC (PEUC)	115,440.14	215,793.97	(260,208.75)
PANDEMIC FIRST WEEK (PFW)	(1,795.92)	(5,394.11)	(3,653.03)
EMER UC RELIEF REIMB EMPL (EUR)	(4,373.38)	(4,894.35)	(29,467.37)
2003 TEMPORARY EMERGENCY UI (TEUC)	(831.21)	(2,005.91)	(2,115.18)
FEDERAL ADD'L COMPENSATION \$25 ADD-ON (FAC)	(10,618.53)	(18,364.97)	(19,292.39)
FEDERAL EMERGENCY UI (EUC)	(36,660.00)	(95,936.98)	(158,453.68)
FEDERAL EXTENDED BENEFITS (EB)	3,725.42	4,160.96	(18,381.12)
FEDERAL EMPLOYEES EXTENDED BEN (UCFE EB)	0.00	0.00	(550.00)
FEDERAL EX-MILITARY EXTENDED BEN (UCX EB)	0.00	0.00	(441.10)
INTERSTATE CLAIMS EXTENDED BENEFITS (CWC EB)	(0.28)	(1.07)	(2,095.52)
INTEREST & PENALTY	253,006.96	424,883.32	672,705.48
CARD PAYMENT SERVICE FEE TRANSFER	4,780.63	8,640.85	8,010.93
LWA O/P - I&P TRANSFER	37,050.06	59,526.96	0.00
PROGRAM INTEGRITY	462,171.14	612,997.78	695,106.62
SPECIAL ASSESSMENT FOR INTEREST	0.00	0.00	1,510.30
COURT COSTS	52,496.15	102,415.63	106,302.05
ADMINISTRATIVE FEE TRANSFER	12.14	12.14	406.34
FEDERAL WITHHOLDING	9,584.00	2,571.00	120,699.00
STATE WITHHOLDING	(1,002,533.00)	(96,504.88)	44,966.94
FEDERAL LOAN REPAYMENTS	0.00	0.00	2,637.00
TOTAL DISBURSEMENTS	<u>\$40,298,274.82</u>	<u>\$83,433,074.08</u>	<u>\$90,317,181.73</u>
NET INCREASE(DECREASE)	<u>(34,705,150.65)</u>	<u>(25,927,389.57)</u>	<u>(31,821,197.70)</u>

BALANCE AT BEGINNING OF MONTH/YEAR	\$2,149,182,928.04	\$2,140,405,166.96	\$1,911,936,130.00
BALANCE AT END OF MONTH/YEAR	<u>\$2,114,477,777.39</u>	<u>\$2,114,477,777.39</u>	<u>\$1,880,114,932.30</u>

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
CASH ANALYSIS
FOR THE MONTH ENDED February 28, 2026

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>
BEGINNING U.I. CASH BALANCE	\$2,124,561,323.90	\$2,116,040,215.80	\$1,874,111,061.69
INCREASES:			
TAX RECEIPTS/RFB PAID	1,040,451.00	34,588,706.00	37,492,395.66
U.I. PAYMENTS CREDITED TO SURPLUS	1,364,071.81	13,927,288.95	14,095,467.26
FUTA TAX CREDITS	0.00	0.00	(2,637.00)
TOTAL INCREASE IN CASH	<u>2,404,522.81</u>	<u>48,515,994.95</u>	<u>51,585,225.92</u>
TOTAL CASH AVAILABLE	<u>2,126,965,846.71</u>	<u>2,164,556,210.75</u>	<u>1,925,696,287.61</u>
DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	31,807,427.08	64,230,519.97	70,476,656.91
BENEFITS CHARGED TO SURPLUS	4,903,619.12	10,071,411.24	11,664,065.86
TOTAL BENEFITS PAID DURING PERIOD	<u>36,711,046.20</u>	<u>74,301,931.21</u>	<u>82,140,722.77</u>
EMER UC RELIEF REIMB EMPL EXPENDITURES	(4,373.38)	(4,894.35)	(29,467.67)
ENDING U.I. CASH BALANCE (13) (14) (15)	<u><u>2,090,259,173.89</u></u>	<u><u>2,090,259,173.89</u></u>	<u><u>1,843,585,032.51</u></u>

13. \$284,585 of this balance was set up in 2015 in the Trust Fund as a Short-Time Compensation (STC) subaccount to be used for Implementation and Improvement of the STC program and is not available to pay benefits.

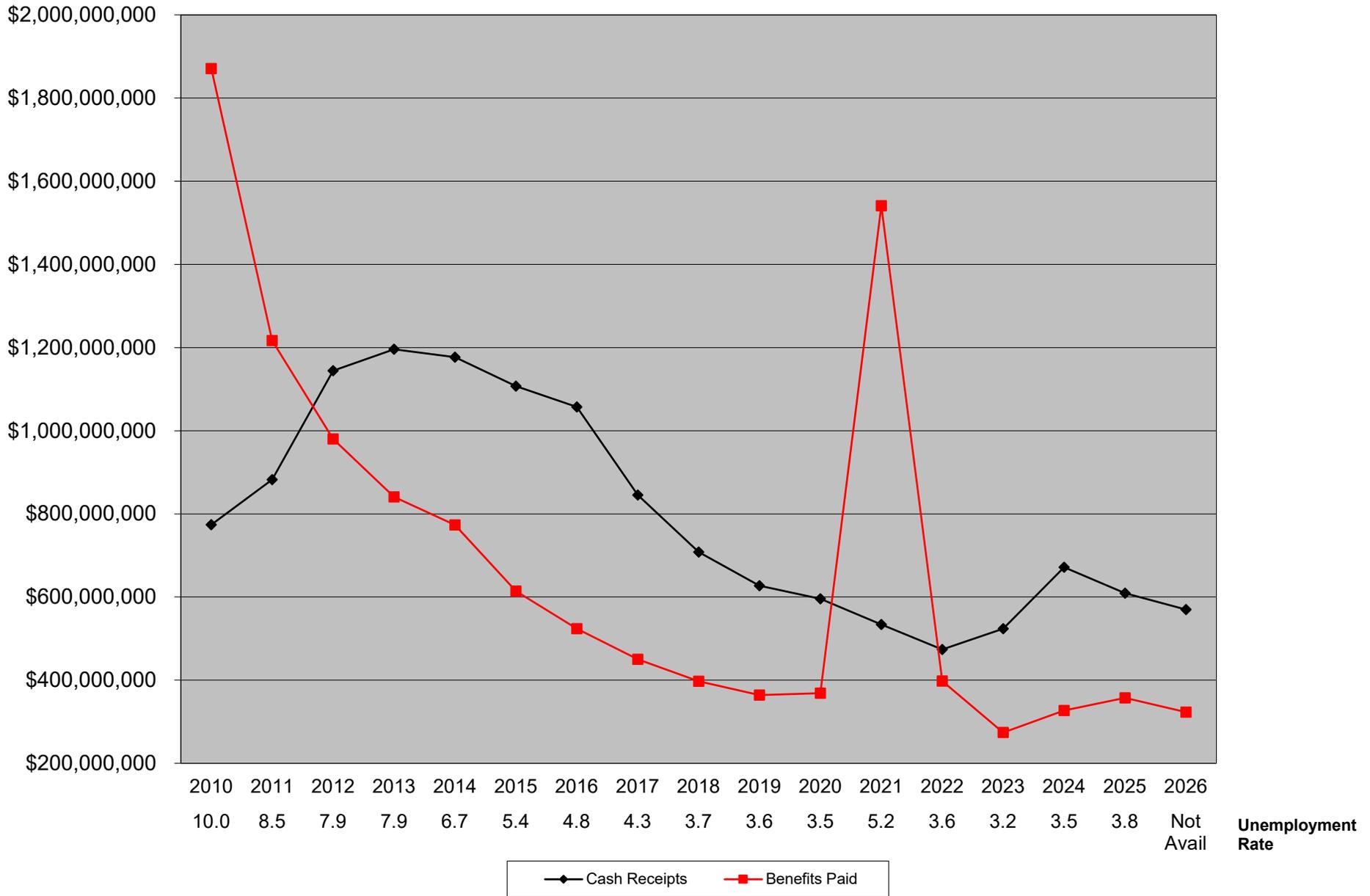
14. \$1,385,619 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

15. \$12,102,910 of this balance is Emergency Unemployment Compensation Relief (EUR) reserved exclusively for funding 50% of the benefits paid for Reimbursable Employers for UI Weeks 12/20-14/21 and 75% of the benefits paid for reimbursable employers for UI Weeks 15/21-36/21 per 2103 of the CARES Act, the Continued Assistance Act, and the American Rescue Act.

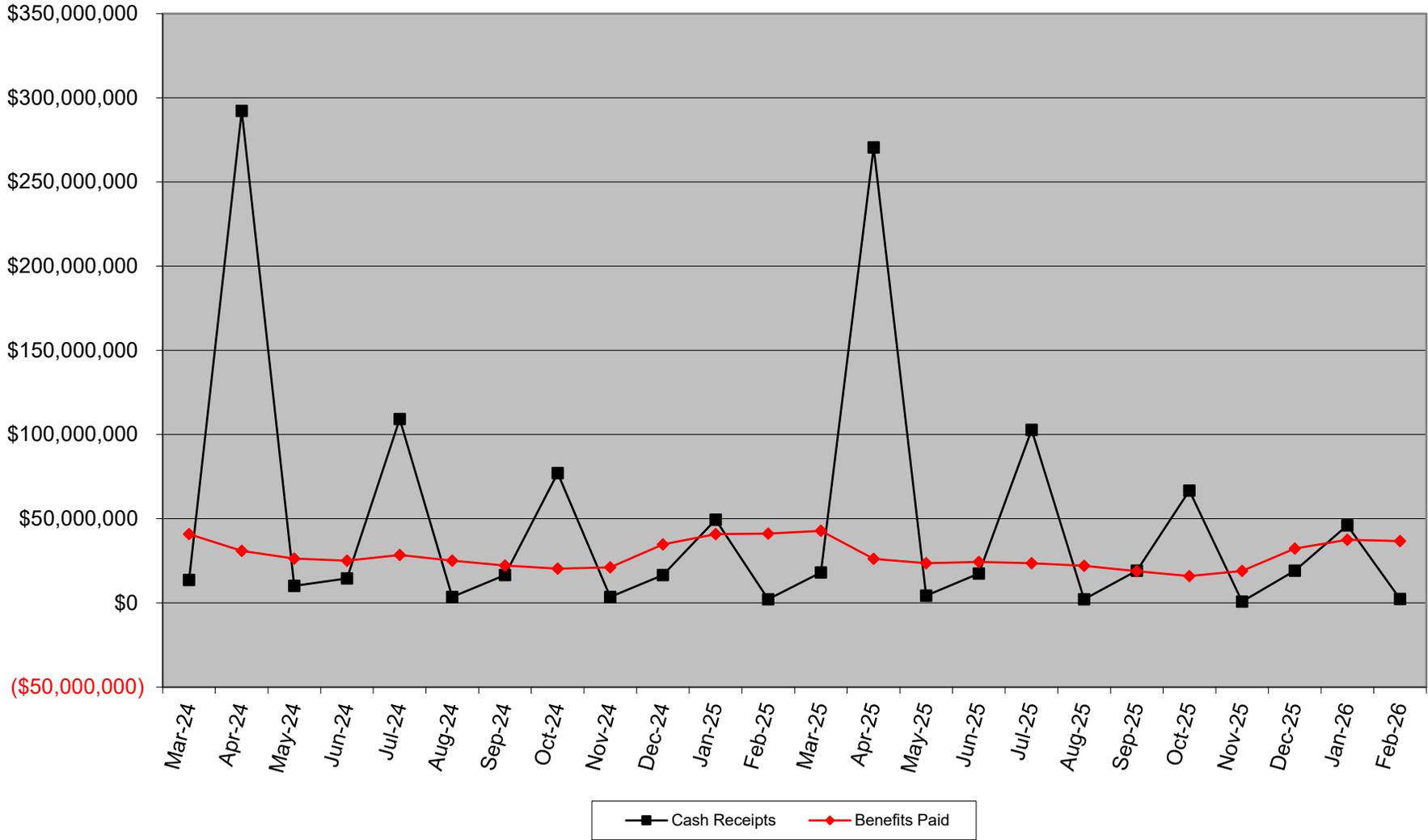
BUREAU OF TAX AND ACCOUNTING
U.I. TREASURER'S REPORT
BALANCING ACCT SUMMARY
FOR THE MONTH ENDED February 28, 2026

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>
BALANCE AT THE BEGINNING OF THE MONTH/YEAR	(\$872,691,858.73)	(\$880,103,732.93)	(\$1,058,118,206.52)
INCREASES:			
U.I. PAYMENTS CREDITED TO SURPLUS:			
SOLVENCY PAID	359,515.08	12,996,019.36	13,676,267.95
FORFEITURES	0.00	0.00	(6,272.00)
OTHER INCREASES	1,004,556.73	931,269.59	425,471.31
U.I. PAYMENTS CREDITED TO SURPLUS SUBTOTAL	<u>1,364,071.81</u>	<u>13,927,288.95</u>	<u>14,095,467.26</u>
TRANSFERS BETWEEN SURPLUS ACCTS	10,907.38	26,835.59	75,139.49
FUTA TAX CREDITS	0.00	0.00	(2,637.00)
TOTAL INCREASES	<u>1,374,979.19</u>	<u>13,954,124.54</u>	<u>14,167,969.75</u>
DECREASES:			
BENEFITS CHARGED TO SURPLUS:			
QUITS	3,374,154.53	7,030,107.95	8,022,880.48
OTHER NON-CHARGE BENEFITS	1,529,464.59	3,041,303.29	3,641,185.38
BENEFITS CHARGED TO SURPLUS SUBTOTAL	<u>4,903,619.12</u>	<u>10,071,411.24</u>	<u>11,664,065.86</u>
EMER UC RELIEF REIMB EMPL EXPENDITURES	(4,373.38)	(4,894.35)	(29,467.67)
BALANCE AT THE END OF THE MONTH/YEAR	<u><u>(876,216,125.28)</u></u>	<u><u>(876,216,125.28)</u></u>	<u><u>(1,055,584,834.96)</u></u>

Cash Activity Related to Taxable Employers with WI Unemployment Rate (for all years from March to February)

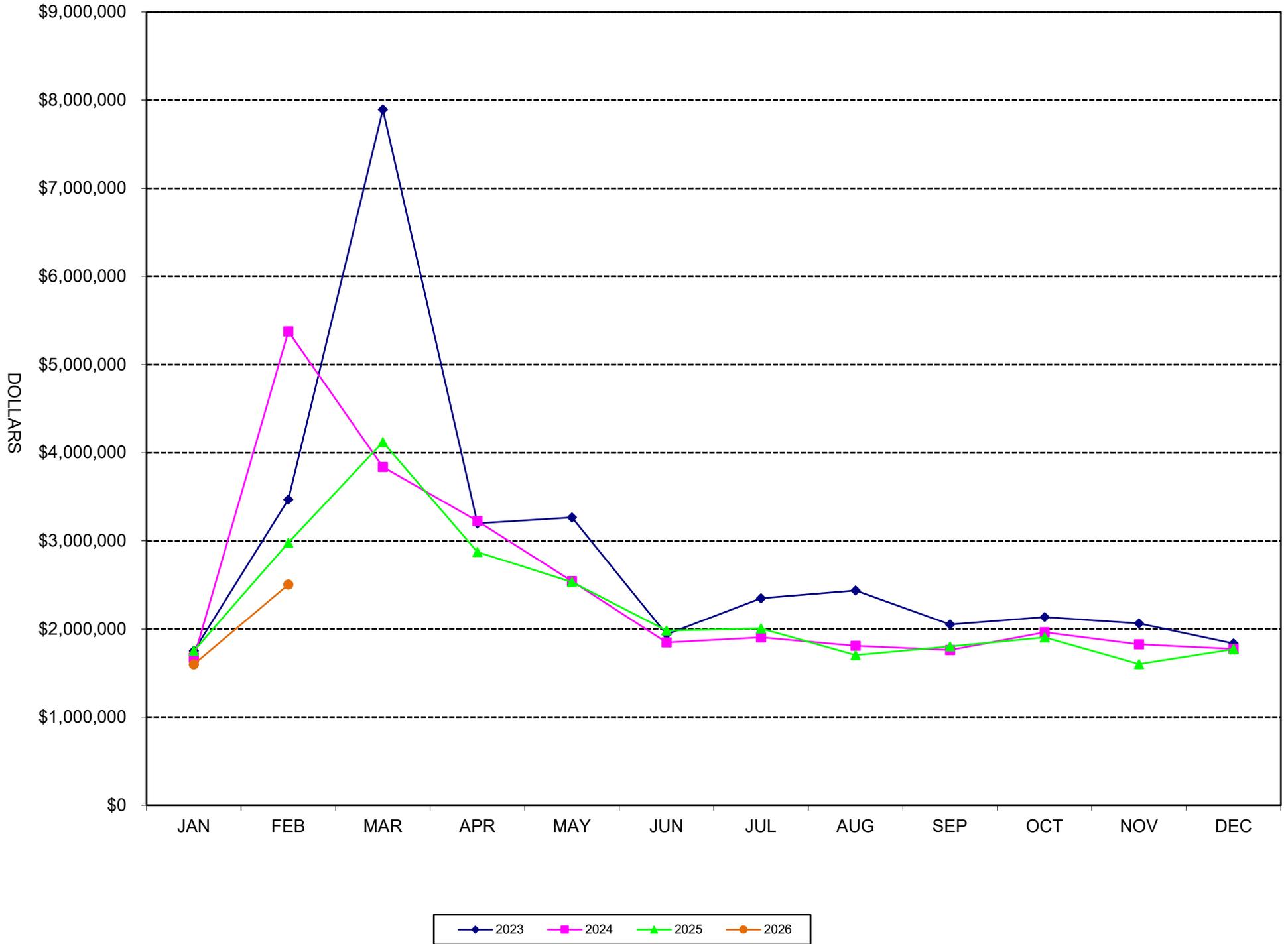


Cash Activity Related to Taxable Employers - Most Recent 24 Months

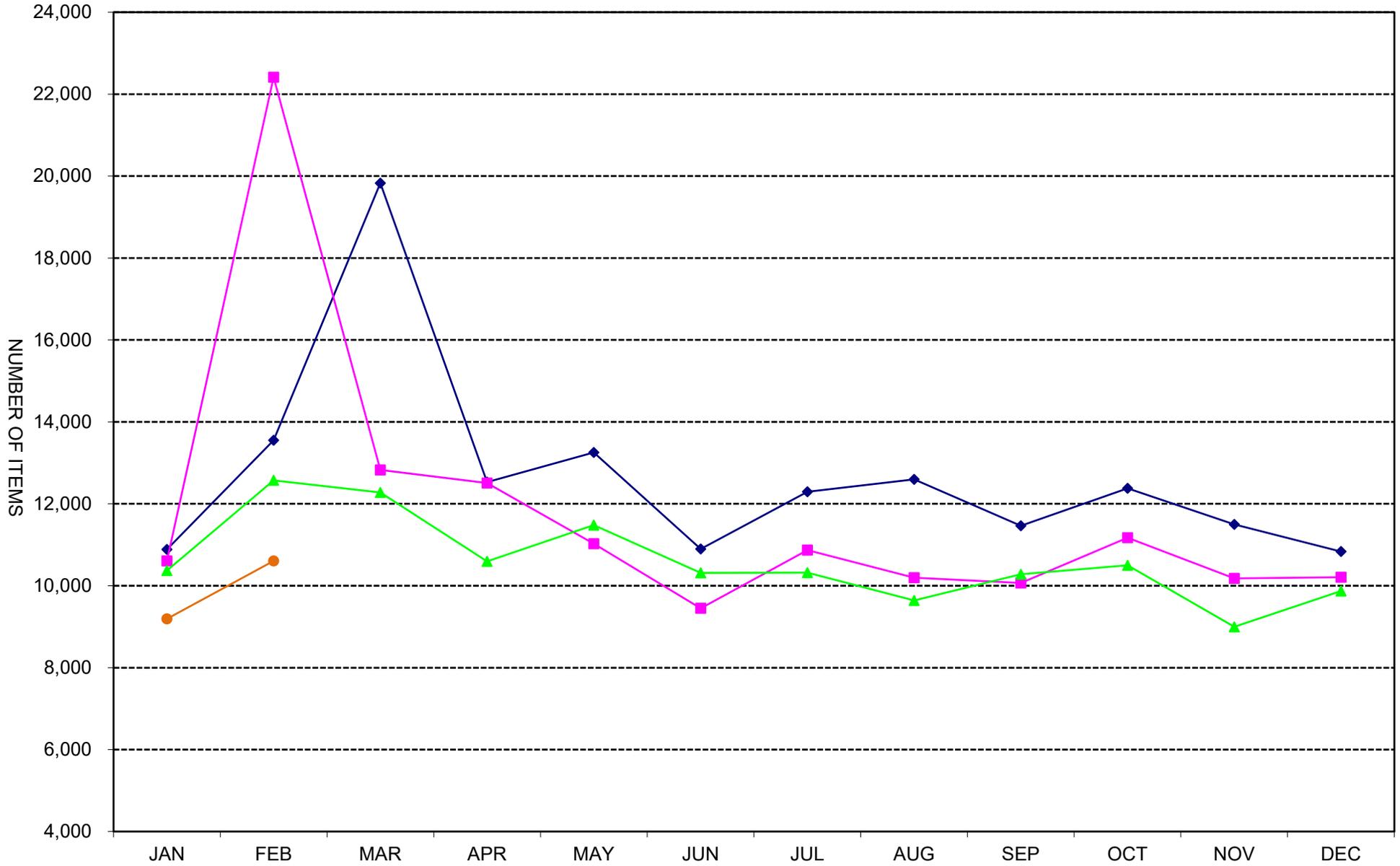


MONTHLY OVERPAYMENT CASH RECEIPTS

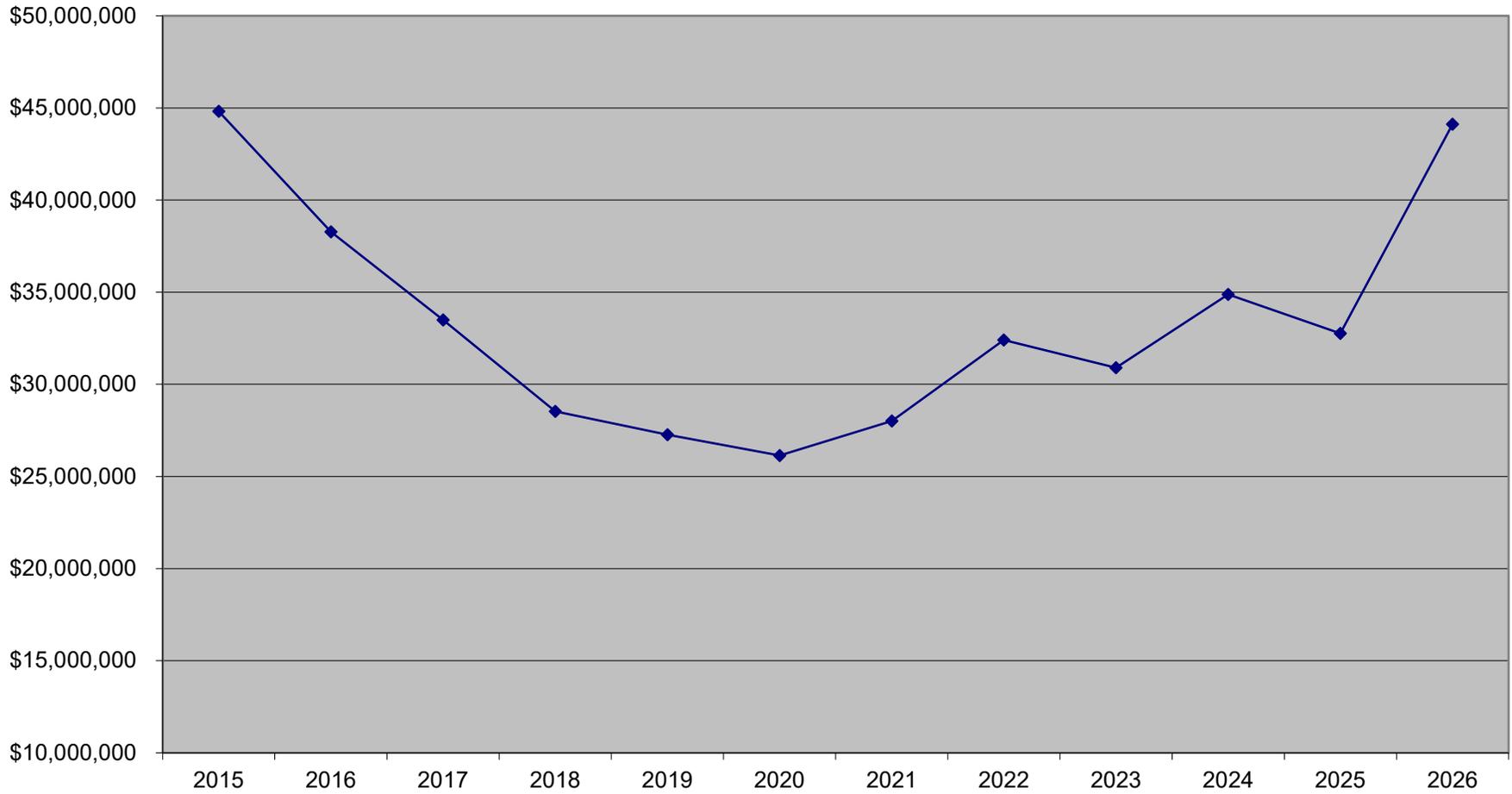
(by dollar amount)



MONTHLY OVERPAYMENT CASH RECEIPTS (by number of items)

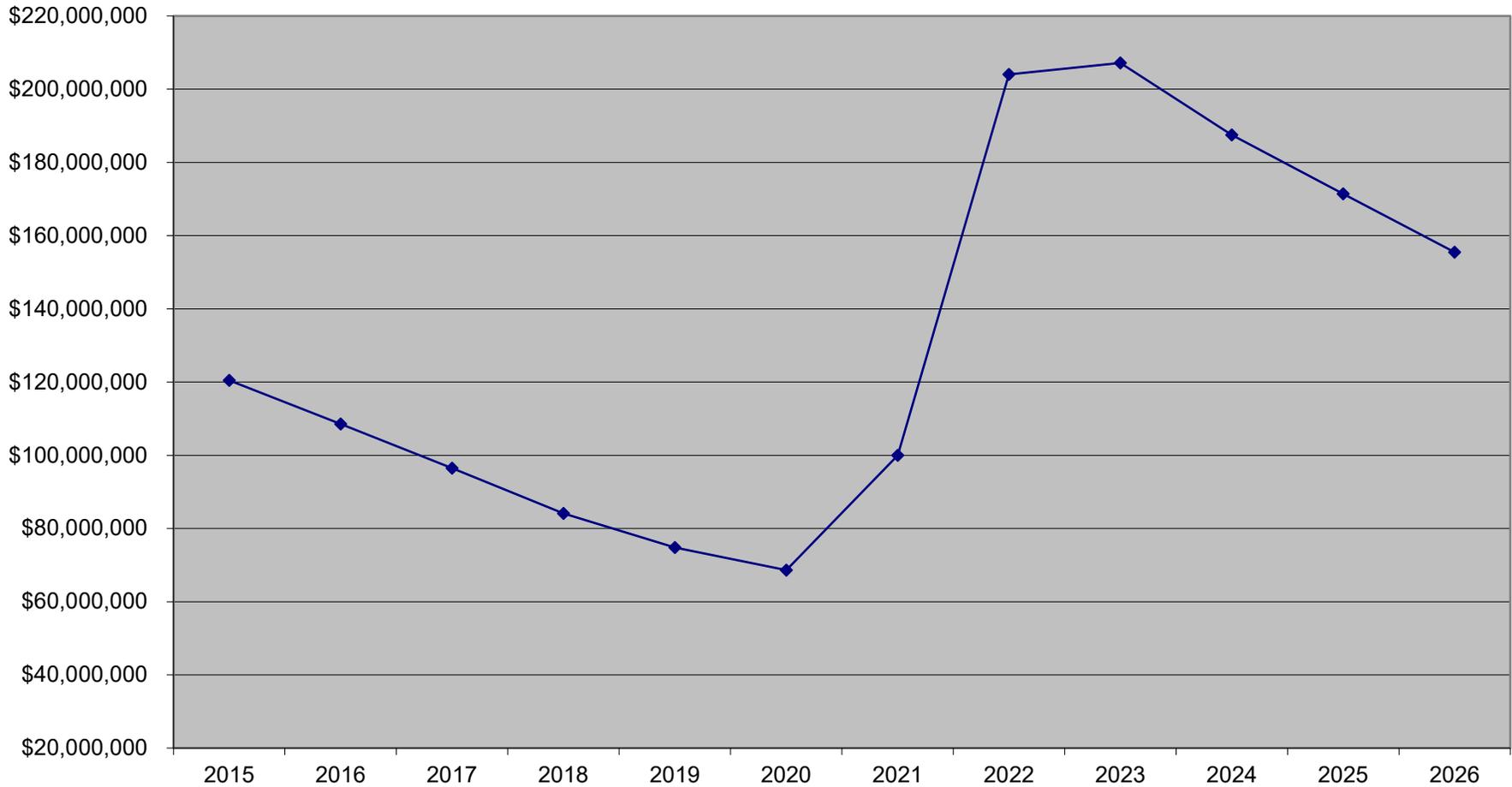


TOTAL TAXABLE EMPLOYER RFB & SOLVENCY RECEIVABLES
(for all years as of February)



Source: Monthly Balance Sheet

TOTAL BENEFIT OVERPAYMENT RECEIVABLES
(for all years as of February)



Source: Monthly Balance Sheet



WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT **UNEMPLOYMENT INSURANCE**



2026 **FRAUD REPORT** TO THE UNEMPLOYMENT INSURANCE ADVISORY COUNCIL

✓ Integrity

✓ Customer Service

✓ Accountability

March 13, 2026

Dear Members of the Unemployment Insurance Advisory Council:

On behalf of the Department of Workforce Development (DWD or "the department"), Unemployment Insurance Division Administrator Jim Chiolino and I are pleased to present the 2025 Unemployment Insurance (UI) Fraud Report, which outlines the division's activities related to the collection of overpayments and education, prevention, detection, and prosecution of UI fraud in 2025.

Average initial unemployment claims and average weekly claims remained near historic lows in 2025 as Wisconsin's workforce remained strong. The unemployment rate consistently stayed more than a full percentage point below the national average, remaining at 3.1% for much of the year. The state set a new record for nonfarm jobs in August 2025 at 3,066,900 and the state's labor force participation rate remained well above the national average.

The Evers Administration's efforts to connect individuals to the workforce have been successful, as evidenced in achievements such as record participation in registered and youth apprenticeship for the fourth consecutive year, and in connecting people with disabilities to meaningful career opportunities. In 2025, DWD announced that Wisconsin once again ranked fourth in the nation in 2024 for helping veterans connect with employment.

Wisconsin pioneered the nation's first UI system in 1932, and today DWD continues to lead the way with a system that promotes economic stability and supports an exemplary workforce while combating fraud. In addition to its comprehensive efforts to prevent fraud, the department has implemented various measures to detect fraudulent activity through crossmatches and audits and undertaken a modernization effort to update the half-century old undermaintained IT systems that resulted from generations of disinvestment. DWD's ongoing modernization efforts have produced results that place Wisconsin among the strongest-performing UI programs in the nation with respect to fraud prevention, detection, and collections.

DWD also demonstrated a commitment to those unemployed through no fault of their own to make sure they timely and appropriately received payments. On average in 2025, 88% of the regular UI claims paid were paid within 3 days of being filed.

DWD received federal funding from the United States Department of Labor (DOL) through the American Rescue Plan Act (ARPA) to complete modernization projects of its UI systems to help reduce fraud and overpayments and support effective and efficient payment of benefits. Unfortunately, without advance notice, on May 22, 2025, U.S. DOL terminated \$29 million of DWD's modernization grants as part of the Trump Administration's termination of \$675 million in ARPA grants awarded by the U.S. DOL to UI programs in over 30 states and territories.

For DWD, the U.S. DOL decision to terminate funding halts work on some of the most critical unemployment insurance modernization and anti-fraud prevention projects. The \$29 million in terminated funds included:

- \$11.25 million to create a state-of-the-art web-based and mobile employer portal, including a secure communications infrastructure to reduce improper payments and fraud;
- \$6.3 million to prevent and detect fraud, ensure program integrity, and improve cybersecurity and overpayment collections;
- \$6.8 million to modernize written communication with all UI customers through an agile and efficient systems interface, reducing costs and staff resources; and

- Nearly \$4.5 million to implement identity authentication and identity proofing tools, modernize the application process, enhance automation for case scheduling, and centrally document all interactions on a given claim.

Though DWD and, later, Governor Evers requested U.S. DOL to reverse its termination of Wisconsin's grants, the Trump Administration refused to reverse these damaging cuts and has not issued any new grants for the states to achieve the objective of modernizing UI systems to reduce fraud.

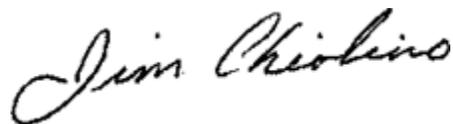
DWD takes integrity and accountability of the UI system very seriously and strives to deliver excellent customer service. Despite the setback handed to states by the Trump Administration, DWD is committed to improving UI with the resources available. DWD will continue to update the UI systems with alternative ARPA funding awarded to DWD by the Wisconsin Department of Administration, but those projects will not entail the full scope of enhancements that were planned with the U.S. DOL grant funding in place. DWD's revised UI modernization project still includes enhancements in user authorization and authentication, but it has lost the funding to assist in preventing and identifying fraud—underscoring the shortsightedness of the Trump Administration in terminating UI modernization grant funding. Yet, the low percentage of fraud overpayments highlighted in this report illustrates the ongoing commitment of Gov. Tony Evers and DWD leadership to combatting UI fraud through prevention as well as detection and recovery. Meanwhile, the department remains steadfast in its commitment to ensuring that workers receive the benefits they are due in a timely way and employers are assessed the proper tax rate.

DWD would like to thank the Unemployment Insurance Advisory Council for supporting the department in its efforts to prevent and detect fraud and impose penalties to deter fraud. DWD looks forward to continuing work on the shared goal of reducing UI fraud to maintain integrity within the UI system while ensuring timely payments for Wisconsin workers and employers.

Sincerely,



Amy Pechacek, Secretary
Department of Workforce Development



Jim Chiolino, Administrator
Unemployment Insurance Division

Table of Contents

Introduction	1
What is Fraud?	
Fraud Penalties	
Education	2
Detection Tools and Prevention Methods	3
Dedicated UI Investigators	
Wage Verification	
Crossmatches	
Mandatory Two-Factor Authentication	
Other Detection and Prevention Approaches	
Worker Classification	5
Overview	
Dedicated UI Investigators	
Fraud Overpayments	5
Fraud Overpayments Detected In 2025 – State and Federal Programs	
Fraud Overpayments as a Percentage of Total UI Payments	
Fraud Overpayment Detection Amounts and Decisions by Source for 2021-2025	
Benefit Amount Reduction and Penalty Assessment 2021-2025	
Non-Fraud Overpayments	8
Non-Fraud Overpayment Detection Amounts and Decisions by Source for 2021-2025	
Work Search	10
Compliance Tools	10
Criminal Prosecution for UI Fraud	11
Commitment to Fraud and Overpayment Prevention	11
Conclusion	12

Introduction

What is Fraud?

Unemployment Insurance (UI) fraud occurs when someone knowingly provides false information or withholds facts to change a UI outcome. The department has implemented proactive measures to detect and prevent fraud.

Claimant Fraud

Claimants commit fraud by providing false information to the department when filing an unemployment benefit claim with the intention of obtaining benefits. Examples of claimant fraud include a claimant returning to work but continuing to claim UI benefits, working part-time but not reporting those wages to the department on their weekly claim certification, or falsifying work search documents.

Employer Fraud

Employers commit fraud when they provide false information to the department with the intent to obtain a lower tax rating, intentionally misclassify an employee as an independent contractor to avoid paying UI tax, or when they help a claimant submit a false benefit claim (aiding and abetting). For example, employers commit tax fraud when they misclassify a worker to avoid paying UI tax for the work performed, or perform "State Unemployment Tax Act dumping," where an employer manipulates business transfers to obtain artificially low UI tax rates. Employers commit benefit fraud when they bank hours a claimant has worked or conceal or report false information about a worker's claim to allow a claimant to fraudulently receive benefits.

Third-Party Fraud

The rapid deployment of the federal COVID-19 pandemic programs served as a catalyst for an increase in organized crime schemes from international and domestic criminal groups to attempt to defraud UI programs. Fraud schemes included identity theft, fraudulent websites imitating unemployment websites, and fictitious employer schemes.

Identity fraud occurs when an individual's identity is stolen and an imposter fraudulently applies for UI benefits on the victim's behalf. In some cases, the imposter is unknown. Other times, the imposter may be known to the claimant or identified by the department – when this is the case, collection and penalty actions are taken against the imposter.

Fraud Penalties

Claimants who conceal¹ information on their benefit claims are ineligible for future unemployment benefits. The amount of future benefits withheld (also known as a "benefit amount reduction") is two, four, or eight times the weekly benefit rate for each act of concealment, depending on whether the claimant has had prior fraud determinations. Benefit amount reductions remain in effect for six years or until satisfied, whichever occurs first.

In addition, claimants must repay the fraudulently obtained benefits and are assessed a monetary penalty of 40% of the overpayment amount.

Employers who engage in State Unemployment Tax Act dumping will be assigned the highest tax contribution rate for the year the violation or attempted violation occurs and the three succeeding years.²

Employers who misclassify employees may be subject to administrative and criminal penalties.³ Administrative penalties may be assessed by the department in the amount of \$500 for each employee misclassified up to \$7,500 per incident.⁴ Moreover, if an employer has previously been assessed an administrative penalty, the department may refer cases to the respective county district attorney's office or the Wisconsin Department of Justice (DOJ) for prosecution, and the employer may be fined \$1,000 to \$25,000 for each violation.

Employers may be assessed administrative penalties ranging from \$500 to \$1,500 for aiding and abetting a claimant in committing an act of concealment or misrepresentation.⁵ In addition, improperly paid benefits remain charged to the employer found to have aided and abetted, even if the improperly paid benefits are recovered.

Any individual who makes a false statement or representation to obtain benefits payable to another person must repay the benefits improperly obtained and pay an additional administrative assessment equal to the amount of the benefits obtained due to fraud.⁶

Individuals may also face criminal penalties including fines ranging from \$100 to \$500 and/or imprisonment up to 90 days for false statements or representations made to the department, or by refusing or failing to keep any records or furnish any report required by the department.⁷

Education

The department takes a proactive approach to fraud prevention by educating employers and claimants on the consequences of committing fraud and by providing multiple ways to report fraud. Claimants are informed of these consequences through the Claimant Handbook, mailed notices, informational postings on the department's website, prompts when filing claims online through the Claimant Portal, and during interactions with UI staff. Employers are alerted to the consequences through the Employer Handbook, in presentations to industry stakeholders, and informational postings on the department's website. With these education efforts, the department hopes to reduce the instances of fraud in the UI system.

Other efforts to increase education and access to information to help prevent fraud include:

- Notices posted on the online Claimant Portal regarding fraud and potential consequences;
- Claimant and Employer Handbooks available online containing written notice regarding fraud and potential consequences;
- Claimant and employer web pages such as "Unemployment Fraud Frequently Asked Questions" and "Avoid Unemployment Scams;"
- Online toolkit for nonprofits and community partners who help people overcome barriers and access services;
- Labor Law Training presentations on the detection, prevention, and impact of fraud;
- Employer newsletter mailed with annual rate notices (also available online);
- Rapid Response sessions for employees being laid off from their jobs;
- Personal interactions between department staff and customers;
- Text printed on all UI checks informing claimants that security features will detect any attempt to alter the check amount or payee;
- Discussions with employers about the importance of verifying employee identity and UI payment reports;
- Letters advising employers they cannot discourage employees from filing for UI;
- Letters advising claimants of proper wage reporting requirements when ongoing underreporting of wages occurs;
- Making claims processes and documents easier to understand through plain language initiatives, simplifying forms and notices, and updating work search tracking; and
- Improving access to reporting fraud through multiple fraud reporting tools including an online reporting form, a separate fraud telephone hotline, and a mailing address for fraud reports.⁸

Detection Tools and Prevention Methods

The department uses many tools, in addition to claimant and employer education, to try to prevent fraud from happening and to detect fraud when it does occur. Detection tools and prevention methods implemented by the department also assist in identifying non-fraud overpayments. The department uses its talented staff, communicates with employers, performs various interagency crossmatches, embraces recommended prevention tactics, and employs several other methods to detect and prevent overpayments. The following provides additional details on these approaches.

Dedicated UI Investigators

The division's vigilant UI staff are among the department's best tools for fraud detection. The division has experienced investigators who handle the most complex and organized efforts to defraud the UI system. Benefit fraud investigators train other UI staff on methods for discovering and reporting fraud.

Wage Verification

For each week a claimant reports weekly wages, or the first week a claimant reports no wages, UI sends wage verification notices to their employer(s). These notices allow employers to promptly report wages or other eligibility issues. Employers can return these reports by mail, fax, or online through the UI State Information Data Exchange System (SIDES), a convenient electronic resource developed in collaboration with the United States Department of Labor (DOL).

Crossmatches

The department conducts the following crossmatches against other governmental records as a tool in detecting UI fraud:

- **Quarterly Wage Crossmatch:** Compares an individual's benefit payment records with quarterly wage records submitted by Wisconsin employers. This match helps verify wages are properly reported on unemployment claims.
- **Interstate Wage Record Crossmatch:** Compares an individual's benefit payment records with quarterly wage records submitted by out-of-state employers. This match helps verify wages are properly reported on unemployment claims.
- **Wisconsin and National New Hire Crossmatch:** Employers must report basic information about newly hired or rehired employees and those who have returned to work after a separation from employment. Division staff crossmatch UI payment records with this new hire information, both within the state and nationally. In addition, division staff conduct a crossmatch with quarterly federal wage data from the National Directory of New Hires for claimants who are former federal government employees.
- **Inmate Crossmatch:** Incarcerated individuals may be ineligible for UI benefits. This tool consists of two crossmatch programs. One program compares benefit payment records to incarceration records for all Wisconsin county jails and prisons. The second program compares benefit payment records to incarceration records for facilities nationwide.
- **Vital Statistics (Death Records) Crossmatch:** The Wisconsin Department of Health Services provides a record of deaths in Wisconsin, and the information is crossmatched with UI data to ensure UI claims are not filed after a claimant is deceased.
- **U.S. Citizenship and Immigration Services Verification:** Verifies work authorization with U.S. Citizenship and Immigration Services when a claimant is not a U.S. citizen.

- **Worker's Compensation Crossmatch:** Compares individuals currently receiving worker's compensation benefits with claimants filing unemployment claims.

Mandatory Two-Factor Authentication

In the fall of 2025, the department began requiring two-factor authentication for claimants to access their Claimant Portal. Two-factor authentication became available as an optional security measure to claimants in 2023. By requiring two-factor authentication for claimants, the department is helping to protect claimants' personal information and the security of the UI program. The department has seen a decrease in the amount of potential identity fraud attempts since implementing mandatory two-factor authentication.

Other Detection and Prevention Approaches

Additional detection and prevention approaches used by the department include:

- Employer audits, which resulted in additional employer assessments of \$8,218,686 in unpaid UI taxes and \$4,155,456 in interest in 2025;
- Employer complaints and public tips on suspected fraudulent claims;
- Contact with local, state, and federal law enforcement officers about suspicious activities;
- Analyzing Form 1099 data provided by the Internal Revenue Service to identify and investigate employers who may be misclassifying employees as independent contractors;
- Sophisticated fraud monitoring tools provided by the department's financial institution, which allow the department to monitor, predict, and respond quickly to suspected fraudulent activity;
- Regular meetings with other state agencies to discuss fraud trends and cases of mutual interest. The information shared in these meetings helps to detect, investigate, and prevent fraud from occurring across agencies;
- Benefit Payment Notices sent to employers informing them of individuals receiving UI benefits from their account;
- Review of employer tax and benefit charge information to detect potential fictitious employers;
- Cross-referencing the payee name and dollar amount on all UI checks presented for payment with the information on the department's disbursement file. Any check that does not match is rejected and not honored by the department's financial institution;
- Blocking individuals from using the department's bank account number to initiate unauthorized electronic funds transfers;
- Identity verification through the federal National Identity Verification Offering which gives claimants the option to verify their identity in person at a participating post office or online through Login.gov;
- Fraud prevention measures for claimants who use the program's Visa Prepaid Debit Card;
- Collaboration with the National Association of State Workforce Agencies' (NASWA) Integrity Data Hub to report and better detect suspicious actors;
- Internal system access audits and analysis to confirm only necessary division staff have access to sensitive information and to re-evaluate users with access to sensitive information; and
- Fraud scans that are based on best practices, especially related to third-party fraud.

Worker Classification

Overview

Worker misclassification occurs when an employer treats workers as independent contractors when they are employees. Under the law, workers are presumed to be employees unless the employer proves a worker meets the legal criteria to be an independent contractor. Employers who misclassify workers avoid UI taxes, state and federal income tax withholding, worker's compensation coverage, and Social Security and Medicare taxes. Employers who misclassify employees as independent contractors gain an unfair competitive advantage over other employers. Worker misclassification 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 had they been properly classified.

Dedicated UI Investigators

The department's UI worker classification investigators, many with backgrounds in law enforcement specializing in white collar and economic crimes, conduct worksite investigations.

In 2025, worker classification investigators conducted 639 worker classification field investigations. These investigations resulted in 250 audit referrals to the department's UI tax auditors. Those referrals resulted in the identification of 8,455 misclassified workers and the assessment of over \$2.80 million in UI taxes and interest. Cases referred for audit in 2025 may not be audited until a later time.

The department conducted 2,004 total audits in 2025, which identified 50,154 misclassified workers. As a result, employers were assessed a total of \$8,218,686 in unpaid UI taxes and \$4,155,456 in interest.

The department works toward voluntary compliance by employers. In some cases, employers refuse to comply with the UI law and continue to misclassify workers. In those cases, the division can issue administrative penalties for intentional misclassification of \$500 per worker, up to a maximum of \$7,500. In 2025, the department issued nine penalties to employers for intentional misclassification totaling \$46,500.

Fraud Overpayments

The department remains committed to ensuring the integrity of the UI program. UI analysts track different fraud data points throughout the year as point-in-time data. These data points are the result of detection efforts in 2025.

Most overpayments detected in 2025 reflect fraudulent activity that occurred in 2024, 2023, 2022, and 2021. It takes time to complete investigations to determine whether fraud occurred. Some investigations involve the cooperation of multiple public and private entities, which can increase the time needed to complete a thorough investigation.

To reflect the rate of fraud detection more accurately, certain charts below present data by the year the fraud first occurred, as is contemplated by Wis. Stat. § 108.14(19).

The department's reporting of different fraud data points complies with U.S. DOL's definitions of "fraud overpayments" and "non-fraud overpayments." Fraudulent benefit overpayments reported below capture fraud committed by claimants. In compliance with U.S. DOL definitions, the below does not include other types of fraud, such as unknown imposter/identity fraud or employer fraud, which are reported as non-fraud overpayments because those types of fraud are not committed by claimants.

Fraud Overpayments Detected In 2025 – State and Federal Programs⁹

The data below provides point-in-time statistics about completed fraud detection efforts. Due to the nature of UI fraud, dollar amounts for fraud in past years will increase as future investigations are completed.

The chart below shows the breakdown of the \$6.8 million in fraud overpayments detected in 2025. It separates the data by the year fraud first occurred, the fraud overpayment amount, and the corresponding percent of the total \$6.8 million in fraud overpayments detected in 2025. Note that benefit payments may have continued over more than one calendar year.

Fraud Overpayments Detected in 2025 – State and Federal Programs

Year Fraud First Occurred	Fraud Overpayment Amount	Percent of Total Fraud Overpayments Detected in 2025
2025	\$1,786,212	26%
2024	\$2,611,946	38%
2023	\$521,617	8%
2022	\$128,369	2%
2021	\$334,828	5%
Before 2021	\$1,447,398	21%
Total	\$6,830,370	100%

The department’s efforts in 2025 detected **4,049** cases of fraud overpayments totaling **\$6.8 million**.

\$5 MILLION

or **74%** of detected overpayments, were for fraud overpayments detected in 2025 for fraud committed in prior years.

Fraud Overpayments as a Percentage of Total UI Payments¹⁰

The chart below shows the total fraud overpayments, adjusted to reflect the amounts **detected** in 2025 and listed in the year fraud first occurred (not the year the fraud was detected).

Fraud Overpayments as a Percentage of Total UI Payments

	2025	2024	2023	2022	2021
Total UI Payments Administered (State and Federal)	\$352,202,196	\$382,868,565	\$337,607,133	\$344,545,768	\$2,481,203,431
Adjusted Total Fraud Overpayments ¹¹ (by year fraud first occurred)	\$1,786,212	\$4,358,422	\$4,692,627	\$3,098,035	\$28,818,709
Percentage of Total Payments	0.51%	1.14%	1.39%	0.90%	1.16%

In 2025, of Wisconsin’s **\$352,202,196** in total UI payments, only

0.51%

are fraud overpayments.

Fraud Overpayment Detection Amounts and Decisions by Source for 2021-2025

As outlined in the "Detection Tools and Prevention Methods" section of this report, the department uses various tools and methods to detect fraud overpayments. The chart below summarizes fraud overpayment amounts and total decisions resulting from each detection method. The total for each year reflects the total fraud overpayment amounts and decisions **detected** in that year (not the year fraud first occurred).

Fraud Overpayment Detection Amounts and Decisions by Source for 2021-2025

Detection Method	2025		2024		2023		2022		2021	
	Amount	Decisions	Amount	Decisions	Amount	Decisions	Amount	Decisions	Amount	Decisions
Wage Record Crossmatch	\$1,853,560	759	\$2,167,789	902	\$3,708,565	1,593	\$5,963,477	2,278	\$2,859,563	1,008
Post Verification of Wages	\$112,537	82	\$118,304	90	\$134,236	99	\$664,074	312	\$488,962	219
Liabe Employer Protests Benefit Charges	\$474,197	362	\$659,793	439	\$539,615	372	\$2,003,136	885	\$3,903,589	1,546
Tips and Leads from Other than Liabe Employer	\$277,826	166	\$213,882	184	\$301,786	212	\$1,133,813	580	\$2,244,111	1,006
State New Hire Crossmatch	\$803,027	1,112	\$1,010,381	1,244	\$1,379,736	1,422	\$1,347,630	1,057	\$2,502,943	1,791
National New Hire Crossmatch	\$68,092	57	\$66,409	55	\$66,603	47	\$111,303	52	\$149,712	116
Quality Control	\$35,490	23	\$51,123	23	\$47,861	23	\$35,519	18	\$154,706	40
Reversals	\$12,515	3	\$6,000	2	\$1,098	3	\$19,618	6	\$0	0
Inmate Crossmatch	\$645,761	150	\$3,238	6	\$12,577	12	\$4,335	5	\$140,135	144
Appriss Inmate Crossmatch	\$59,205	83	\$54,529	133	\$39,967	98	\$41,660	95	\$243,228	535
Post Verification - No Wages Reported	\$147,259	222	\$270,264	313	\$479,873	474	\$564,193	286	\$983,876	451
SSDI Crossmatch	\$370	1	\$100,298	25	\$115,038	34	\$244,908	55	\$1,606,888	265
Worker's Compensation Crossmatch	\$15,033	9	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Audit of Work Search	\$26,480	28	\$31,760	17	\$11,318	10	\$21,504	15	\$30,614	12
Audit Discoveries	\$35,943	14	\$23,323	15	\$21,198	2	\$64,127	44	\$6,120	3
Interstate Crossmatch	\$23,953	12	\$60,729	15	\$24,790	10	\$9,660	4	\$89,073	19
Deceased Citizen Crossmatch	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Agency Detection - Not Covered by Other Codes	\$2,053,116	826	\$2,778,911	1,114	\$5,362,408	2,348	\$14,548,886	5,277	\$10,905,194	3,987
Fictitious Employer Cases	\$0	0	\$0	0	\$4,160	3	\$18,820	3	N/A	N/A
Claimant Initiated	\$183,320	139	\$185,648	112	\$150,934	103	\$504,306	241	\$863,259	332
Federal Wage Crossmatch	\$2,686	1	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$6,830,370	4,049	\$7,802,381	4,689	\$12,401,763	6,865	\$27,300,969	11,213	\$27,171,973	11,474

Benefit Amount Reduction and Penalty Assessment 2021-2025

Claimants who commit fraud will have their benefit payments reduced and may face additional penalties. Claimants who file fraudulent claims will see their benefits reduced by two, four, or eight times the weekly benefit rate for each act of concealment, depending on whether they have a history of prior fraud determinations. These reductions are in addition to any overpayment, which must be repaid. The chart below displays the benefit reductions and penalties imposed on claimants, listed by the year the reductions or penalties were applied (not the year the fraud took place).

Benefit Amount Reduction and Penalty Assessment 2021-2025

Other Fraud-Related Activity	2025	2024	2023	2022	2021
Benefit Amount Reduction	\$14,878,880	\$15,214,278	\$17,401,965	\$23,871,069	\$20,219,818
Penalties Assessed	\$2,729,155	\$3,035,465	\$4,869,553	\$10,902,766	\$10,048,170

In 2025, benefit reductions totaled **\$14.88 million** with an additional **\$2.7 million** in penalties assessed.

Non-Fraud Overpayments

Sometimes claimants make unintentional errors. In compliance with U.S. DOL definitions, these instances are tracked separately from fraud overpayments and are referred to as "non-fraud overpayments." By definition, fraud is intentional and tied to claimants; therefore, any other cases are classified as "non-fraud overpayments," including unknown imposter/identity fraud, employer fraud, and organized fraud. As is the case with fraud overpayments, the division's systems seek to prevent and detect these errors and collect these overpayments for deposit into the UI Trust Fund. The below data points are the result of detection efforts in 2025.

Non-Fraud Overpayment Detection Amounts and Decisions by Source for 2021-2025

Details on the various tools and methods the department uses to identify and prevent non-fraud overpayments can be found in the "Detection Tools and Prevention Methods" section of this report.

The chart below summarizes non-fraud overpayment amounts and total decisions resulting from each detection method. The total for each year included reflects the total non-fraud overpayment amounts or decisions **detected** in that year (not the year the overpayment first occurred). Generally, it is assumed overpayments detected in a particular year reflect benefits overpaid in the years before detection.

Non-Fraud Overpayment Detection Amounts and Decisions by Source for 2021-2025

Detection Method	2025		2024		2023		2022		2021	
	Amount	Decisions	Amount	Decisions	Amount	Decisions	Amount	Decisions	Amount	Decisions
Wage Record Crossmatch	\$91,031	172	\$221,465	280	\$756,902	850	\$2,621,680	2,836	\$2,186,765	1,164
Post Verification of Wages	\$873,165	13,711	\$1,033,985	14,979	\$1,100,769	15,485	\$2,279,358	19,467	\$10,511,369	81,268
Liabe Employer Protests Benefit Charges	\$966,464	1,329	\$1,062,847	1,484	\$1,204,135	1,635	\$6,480,124	3,638	\$29,721,863	13,350
Tips and Leads from Other than Liabe Employer	\$218,174	386	\$234,824	436	\$361,304	485	\$1,713,459	1,022	\$8,220,656	4,027
State New Hire Crossmatch	\$112,284	404	\$141,499	411	\$197,264	523	\$535,517	1,055	\$2,273,867	5,376
National New Hire Crossmatch	\$3,577	13	\$5,392	12	\$4,736	13	\$26,599	44	\$100,918	140
Quality Control	\$74,471	118	\$79,877	135	\$88,909	126	\$160,864	158	\$260,338	156
Reversals	\$255,727	127	\$354,975	202	\$316,989	175	\$1,820,001	611	\$3,535,079	948
Inmate Crossmatch	\$147,895	47	\$0	0	\$2,968	4	\$5,982	7	\$84,718	136
Appriss Inmate Crossmatch	\$40,029	87	\$36,309	77	\$37,610	84	\$30,425	53	\$644,118	1,069
Post Verification - No Wages Reported	\$67,524	255	\$72,198	293	\$135,837	362	\$330,634	601	\$2,628,174	3,025
SSDI Crossmatch	\$11,909	7	\$19,582	16	\$9,024	8	\$48,013	20	\$1,453,315	393
Integrity Data Hub	\$0	0	\$0	0	\$460	2	N/A	N/A	N/A	N/A
Worker's Compensation Crossmatch	\$29,300	19	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Audit of Work Search	\$4,695,284	8,054	\$1,924,694	3,292	\$2,615,942	4,524	\$3,674,005	6,682	\$821,573	1,180
Audit Discoveries	\$1,060	4	\$1,480	4	\$763	3	\$54,637	30	\$47,672	37
SSA Pension Check	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
SAVE (Alien Verification)	\$0	0	\$7,770	2	\$9,825	6	\$17,445	5	\$31,399	9
Interstate Crossmatch	\$5,180	1	\$2,590	2	\$0	0	\$7,732	8	\$77,807	38
Deceased Citizen Crossmatch	\$29,054	55	\$0	0	\$0	0	\$624	1	\$2,680	2
Agency Detection - Not Covered by Other Codes	\$1,546,405	1,352	\$2,082,199	2,009	\$4,493,880	3,614	\$30,433,004	17,451	\$78,914,336	40,709
State Payroll Crossmatch	\$0	0	\$0	0	\$0	0	\$27,804	3	\$10,927	3
Claimant Initiated	\$704,404	2,264	\$613,093	2,159	\$700,287	1,652	\$2,757,897	2,301	\$14,361,237	9,893
Total	\$9,872,936	28,405	\$7,894,779	25,793	\$12,037,604	29,551	\$53,025,804	55,993	\$155,888,811	162,923

In 2025, \$9.87 million non-fraud overpayments were detected in 28,405 cases.
Due to the time required for investigation of potential overpayment cases, most of these reflect benefits overpaid before 2025.

Work Search

The department has a well-established work search auditing program. UI claimants who are required to search for work must report their work search actions when filing weekly claims. These certifications are subject to random or targeted audits for program integrity purposes. These audits can uncover mistakes made by claimants or instances of fraud. They also provide an opportunity to educate claimants on what constitutes a valid work search action and what information the department needs to verify work searches. When benefit overpayments are detected through work search audits, the department pursues collection measures with claimants.

In 2025, benefit fraud investigators completed 29,603 work search audits, including both random and targeted audits. Denial rates for targeted work search audits are typically higher than random work search audits since the claims already exhibit suspicious traits. The audits identified 9,899 adverse decisions with benefits denied, including cases where claimants failed to conduct the required number of valid work search actions.

An additional 21,542 claims were not paid for failure to answer the work search question or failure to provide required information on the weekly claim.

Compliance Tools

The department successfully recovers most overpayments. Historical information shows that the department typically collects 88.2% of fraud overpayments and 85.2% of non-fraud overpayments.

Overpayment Recoveries in 2025 by Year of the Decision

Year Identified	Fraud	Non-Fraud	Total
2025	671,732	5,655,367	6,327,099
2024	2,137,991	1,339,020	3,477,011
2023	1,532,556	743,981	2,276,537
2022	2,220,423	2,098,235	4,318,658
2021	1,541,285	5,500,231	7,041,516
2020	172,938	993,734	1,166,672
Older Than Five Years	1,891,028	709,763	2,600,791
Total Collected in 2025	\$ 10,167,953	\$ 17,040,331	\$ 27,208,284

In 2025, the department recovered **\$27.2 million** in state and federal fraud and non-fraud overpayments, including **\$2.6 million** in debts older than five years.

In calendar year 2025, Wisconsin ranked tenth in the nation and third out of 10 states in its U.S. DOL region (Region 5 - Chicago) for total overpayment recoveries (fraud and non-fraud overpayments). These successful overpayment recoveries are achieved through the various mechanisms outlined below:

- Tax Refund Intercept:** The department can intercept a claimant's state and federal tax refunds. Over \$2.5 million was collected from state tax refunds by the Wisconsin Department of Revenue's State Tax Offset program in 2025. Collections from federal tax refunds are made through the Treasury Offset Program (TOP). Over \$3.5 million in overpayments, penalties, and collection costs were recovered through TOP in 2025.

- **Benefit Offset:** When an individual has received an overpayment, their current UI benefit payments may be applied directly to reduce the amount due. Once the overpayment has been repaid, the individual may then receive UI benefit payments.
- **Out-of-State Offset:** When an individual receives an overpayment in Wisconsin, UI can request that their current out-of-state UI benefit payments be applied directly to reduce the Wisconsin overpayment.
- **Bankruptcy:** Fraud overpayments are not automatically discharged in bankruptcy. Division attorneys may petition the bankruptcy court to dispute discharge of the debt or file a claim against the assets of the debtor to ensure repayment.
- **Warrants:** The division may file a lien against an individual's personal property to secure collection of an overpayment.
- **Levy Against Wages and Bank Accounts:** The division may issue a levy against wages, bank accounts, or any property belonging to the individual who received an overpayment.
- **Financial Record Matching Program:** Division debt collectors use a financial record matching program to identify the bank accounts of individuals who received an overpayment.

Criminal Prosecution for UI Fraud

The department seeks criminal prosecution in cases of egregious or repeated fraud, and works cooperatively with county district attorneys, the DOJ, and federal prosecutors.

The department's worker classification investigators also investigate complex criminal benefit fraud cases. Criminal investigations completed by these investigators are referred to the appropriate prosecuting agency, either on state charges to the DOJ or a county district attorney, or on federal charges to the U.S. Attorneys.

The department works collaboratively with state and federal prosecutors and county district attorneys to determine which cases should be referred for prosecution. Ultimately, it is the DOJ and the county district attorneys who have the discretion to file criminal charges. For example, the DOJ evaluates several factors to decide whether it will take a case to prosecution:

- Whether evidence exists to prove intent to defraud;
- An individual's criminal history/history of defrauding government programs; and
- In cases involving employers, the employer's enforcement and compliance history.

The division also works with the Federal Bureau of Investigation (FBI) and U.S. DOL's Office of Inspector General on complex fraud cases and cases which have a federal nexus, including federal pandemic benefit fraud.

In 2025, there were 36 criminal benefit fraud cases investigated, of which three were referred to county district attorneys or to the DOJ for prosecution. As of January 2026, one of those cases has been charged.

Commitment to Fraud and Overpayment Prevention

The department remains committed to preventing fraud and overpayments in the UI program and in 2025 the department innovated and adapted to the ever-changing fraud threats. In 2026, the department looks forward to expanding work to prevent and detect fraud and overpayments through upcoming projects, such as:

- **Modernization:** Continuing and completing the modernization of the UI system, which ensures program integrity and fraud prevention measures are built into the new and adaptable system;
- **MyWisconsin ID:** Incorporating certain UI accounts with Wisconsin's new single sign-on account platform;

- **Banking and Address Change:** Alerting claimants when banking or address changes are made to their UI accounts; and
- **Work Search:** Collaborating with NASWA to implement plain language and behavioral insight principles to improve the department's work search materials. Improvements are expected to help claimants reduce inadvertent errors when reporting work search actions, which should lead to reduced overpayments.

Conclusion

The department's work to educate claimants and employers; detect, prevent, and collect overpayments; investigate UI fraud; and assess penalties for fraud all play an important role in its comprehensive approach to support the integrity of the UI system. This comprehensive approach supports the integrity of the UI Trust Fund to help ensure money is available to pay benefits to claimants and that employer tax rates can stay in the lowest rate schedule. In 2025, Wisconsin ranked tenth in the nation and third among 10 states in its U.S. DOL region for total overpayment recoveries (fraud and non-fraud overpayments).

The department continued to prioritize preventing fraud in 2025 with the implementation of mandatory two-factor authentication on the Claimant Portal. The department has seen a decrease in the amount of potential identity fraud attempts since implementing mandatory two-factor authentication. Requiring two-factor authentication will provide additional protections to prevent claimant accounts from being taken over by someone who has gained access to a claimant's username and password. In the coming year, the department will continue to modernize and enhance program integrity activities. When coupling innovative solutions for prevention, education, and limited access with consistent efforts to detect, collect overpayments, and seek prosecution of fraud in partnership with other governmental agencies, the department demonstrates its commitment to a comprehensive approach to fraud.

Notes

¹ As defined under Wis. Stat. §108.04(11)(g)1, conceal means "to intentionally mislead the department by withholding or hiding information or making a false statement or representation."

² Wis. Stat. §108.16(8)(m)1

³ Wis. Stat. §108.24(2m)

⁴ Wis. Stat. §108.221

⁵ Wis. Stat. §108.04(11)(c)

⁶ Wis. Stat. §108.04(11)(cm)

⁷ Wis. Stat. §108.24(2)

⁸ Information on reporting fraud to the department can be found on this webpage:

<https://dwd.wisconsin.gov/ui/fraud/report.htm>

⁹ As noted in a prior Fraud Report, these numbers are adjusted each year and, as such, amounts reflected herein will differ from previously reported information.

¹⁰ As noted in a prior Fraud Report, these numbers are adjusted each year and, as such, amounts reflected herein will differ from previously reported information.

¹¹ The 2023 Fraud Report was published with an inadvertent under-counting of fraud that first occurred in 2020 and earlier, and an inadvertent over-counting of fraud that first occurred in 2021 and 2022. Accordingly, figures in this table cannot be compared to those in the 2023 Fraud Report.

STATE OF WISCONSIN



Department of Workforce Development

201 E. Washington Ave.

Madison, WI 53703

608-266-3131 | dwd.wisconsin.gov



[YouTube.com/WIWorkforce](https://www.youtube.com/WIWorkforce)



[Twitter.com/WIWorkforce](https://twitter.com/WIWorkforce)



[Facebook.com/WIWorkforce](https://www.facebook.com/WIWorkforce)



[LinkedIn.com/company/WIWorkforce](https://www.linkedin.com/company/WIWorkforce)