

Questionable Reporting from the WI DWD

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On May 27, 2020. The Committee for Regulation and Labor held a hearing in which Sec. Caleb Frostman, among others, testified about the status of the unemployment insurance program. Sec. Frostman opened with remarks that stated, "programs have not deployed as quickly as we would have all liked, but they are starting." Frostman's statement was referencing the severely delayed supplemental FPUC payments that all recipients are to receive as well as the PUA program. According to Frostman, PUA began to process during the week prior. Frostman rushed through facts of the FPUC program due to the DWD's overpayment to claimants in early May and the fact that Wisconsin was the last state to begin paying out this program. Later, while questioned, Frostman referred to PEUC extended benefits program and stated that the programing was almost complete and would be paying out by the following week.

Now, for some reality. In contrast to what Sec. Frostman shared in the hearing, the PEUC program has yet to pay out a single dollar. Today is June 21, 2020. To add insult, claimants have been informed that the program will now require another application process and likely will not be payable until early to mid-July. On Friday June 19, 2020, claimant portals showed a new information box detailing this information regarding PEUC. Most individuals waiting for PEUC benefits exhausted their available benefits weeks ago.

The reality gets even more sobering when we address the disaster that has become the PUA program within the State of Wisconsin. The issues surrounding the PUA program go farther than delayed processing times, lost paperwork, new programs, and misinformation. These issues go to the integrity of the DWD. There are basic issues that are simple in solution but have consistently been ignored and misrepresented to the public and elected officials. When lawmakers crafted the Cares Act and the financial assistance packages, it was done to deliberately provide a path for every citizen to receive financial aid while the country struggled to rebound from the economic effects of Covid.

The DWD has created a processing system, or maybe it is a lack of one, that places every PUA application into que for review/adjudication regardless of the specifics. This is ridiculous and an absolute waste of human capital. The majority of PUA applications are self-employed individuals that were required to submit their latest tax returns. The processing includes taking their income and multiplying by 1% to get their benefit rate. This entire process should take no longer than 5 minutes per application.

Recent data reported by the DWD in a press release shows an average of 850 PUA claims processed each week. That same press release states that the average wait time from moment of application to first benefit check is 19 days. However, even admitted by the department, 151,000 claimants have been waiting for benefits more than 10-12 weeks. That number has skyrocketed to 509,235 unique claims that are pending review/adjudication.

The DWD reports data to the DOL on a weekly basis. The DOL utilizes the data to capture a national view of unemployment, adjustments to trends, and overall tracking of both state and federally paid unemployment programs. The Wisconsin DWD began releasing data related to covid unemployment

claims to the public starting with the first week of May. It is important to note that the DWD is required to report data to the DOL regardless of pandemic and has done so consistently and within the same weekly periods. When comparing the information, from the same time frames, the data should balance and compliment each other. However, Sec. Frostman and the DWD have not reported the same information to the DOL that they have reported to the people of Wisconsin.

PUA Claims Paid Out					
Weekending	DWD Release of Information on Unemployment Data PUA Benefits Paid	Unemployment Insurance Continued Weekly Claims Paid for PUA (Reported to Department of Labor)	Calculated total based on Min. Benefit of \$163 x Weekly Claims Paid and Reporter to DOL For the assigned time period, this amount should match the amount of Paid PUA claims reported by DWD in press releases (notes in column two)	Estimated Cumulative Total of Benefits Paid as Reported to the DOL. This is the product of claims reported to DOL x the min weekly benefit.	Estimated Discrepancy of what DWD has stated to WI and what DWD has reported to DOL. If the weekly claims reported to the DOL in column three indicate payment to claimants, this column represents funds that were reported to the DOL, but, according to the DWD's state release of data, were not paid during the indicated week to any claimant.
Saturday, May 2, 2020	\$ -				
Saturday, May 9, 2020	\$ -				
Saturday, May 16, 2020	\$ -	567	\$ 92,421.00	\$ 92,421.00	\$ 92,421.00
Saturday, May 23, 2020	\$ 108,424.00	4649	\$ 757,787.00	\$ 850,208.00	\$ 649,363.00
Saturday, May 30, 2020	\$ 845,473.00	6974	\$ 1,136,762.00	\$ 1,986,970.00	\$ 291,289.00
Saturday, June 6, 2020	\$ 1,177,771.00				
Saturday, June 13, 2020	\$ 2,599,912.00				

\$ 1,033,073.00

This data requires explanation: In the hearing on May 27th Sec. Frostman stated they had begun paying out PUA during the previous week. Data reported to the state of Wisconsin in a release dated May 26th, 2020 states PUA payments of \$108,424. Broken down by using the min. benefit allowed, that would be approximately 665 weekly claims. However, the DWD reported paying 4649 PUA claims for that same week to the DOL. That is an overstatement of \$757,787 of paid PUA benefits. Using this logic, and

applying it to the data reported in weeks ending May 16th, May 23rd, and May 30th (we don't have data from the DOL for June yet) the DWD has reported an excess of at least \$1,003,073 of PUA funds that have not been placed in the hands of Wisconsinites. In fact, the DWD reported no PUA funds paid to claimants during the week of May 16th in their information release dated May 18th, 2020, but did report paying out 567 claims for that same week in their report to the DOL.

Where are these funds? Does the DOL use the reporting of each state as submission for reimbursement for programs outlined in the Cares Act? If so, why is Wisconsin overbilling? Why are there still 60,567 (Total PUA Claims Reported in DWD Release - Reported Paid Pua Claims to DOL) claims unpaid? And finally, this is not the only program where reported paid funds to the DOL are not supported by data released from the DWD in statewide notifications and updates.

	Unemployment Weekly Claims Paid		
	Information Reported the DOL as claims paid for the week ending	Information Reported on DWD Release of Information as claims paid for the week ending (=total claims paid for week ending - total claims paid from week prior)	Claims reported to DOL as paid, but not reported as paid in DWD Release of Information
week ending with May 9th	308,397	247,367	61,030
week ending with May 16th	291,677	232,887	58,790
week ending with May 23rd	269,678	238,637	31,041
week ending with May 30th	255,805	226,536	29,269
			180,130

As you can see, the same trend is carried through to Regular Unemployment claims reported to the DOL. The calculations for May show that 180,130 claims were reported to the DOL as paid, however those claims are NOT reported in the information released by the DWD as paid. To be honest, we have no real way to know where these claims are or if they exist. We also have not calculated the format to estimate the dollar amount this number represents. Unemployment claims have an extensive range of values. For the sake of recognition, let us say \$163 is the average weekly benefit allocation for unemployment in Wisconsin. That would mean these falsely reported claims represent an overbilling of approximately \$29,361,190. Let that sink in . . . it is certainly an interesting way to pad the trust fund, isn't it?

To bring this all together, these are not separate issues. They are related and tell a much more unsettling story of mismanagement than any of us wish to admit. You see, back in 2003 when the legislature and governor began to reshape the unemployment landscape, they viewed unemployment as a form of public assistance. That view is alive and well today and has been a driving force in all consequent changes to Wisconsin's unemployment laws since 2003. The changes did not occur at once, but they certainly, when acting in unison, have a profound effect on an individual attempting to access benefits they have earned by being an employee and taxpayer in the State of Wisconsin. This mindset has led our elected officials to view the two trust funds related to unemployment as money they must protect at all costs. They simply cannot allow "double dipping (108.04(12)(f))" or abuse of the system to

avoid joining the working class. That, and all the laws to protect the funds, have contributed in one way or another to some of the issues plaguing the DWD.

I do not claim to have all the answers. What I do know is that we have a lot of silent lawmakers. A lot of silent people in the Governor's Administration. An enormous amount of lies regarding timelines, deployment of programs like PEUC, and the ridiculous blocking of benefits to individuals receiving SSDI. Add in a chaotic and unchecked unemployment division and a DWD Sec. tripping over himself to report the fraud prevention processes that are holding up claims. Don't you find it interesting that he is the individual that is possibly reporting fraudulent numbers to the Department of Labor?

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