



## EXECUTIVE ORDER # 2

### Relating to the Creation of the Governor's Commission on Waste, Fraud and Abuse

WHEREAS, Wisconsin's biennial budget has increased 33 percent to \$62 billion during Governor Doyle's two terms in office;

WHEREAS, a Pew Center for the States study found that Wisconsin is currently one of the nation's 10 states in the most perilous fiscal condition;

WHEREAS, waste, fraud and abuse in state government has gone largely unchecked during the last 8 years as evidenced by the following:

1. According to figures released by the Wisconsin Department of Workforce Development, fraudulent unemployment insurance claims rose from \$4.7 million in 2007 to \$17.7 million in 2009 while overpayments that did not result from fraud rose from \$13.4 million to \$33.4 million.
2. According to a report by the Wisconsin Legislative Audit Bureau, fraud in the Wisconsin Shares child care program cost the state \$20 million in 2008 due to problems like illegal immigrants receiving compensation and false child care logs.
3. According to federal data, while enrollment in Wisconsin's food stamp program, FoodShare, doubled to 700,000 between 2003 and 2008, fraud investigations fell from 5,400 to 3,200. Minnesota and Michigan performed at least 85% more fraud investigations and while Wisconsin prosecuted 20 fraud cases in 2007, Minnesota prosecuted over 1,000 and Michigan, 2,400.
4. According to a report by the Wisconsin Legislative Audit Bureau, the state paid \$66.5 million in overtime wages in 2008, with 25 state employees earning more than \$50,000 in overtime.
5. According to a 2007 Wisconsin Legislative Audit Bureau report, the Doyle Administration officials halted an incomplete IT overhaul at the Department of Workforce Development after five years of work and \$23.6 million. Another \$28.2 million was spent on the Department of Revenue's Integrated Tax System and \$26 million on the University of Wisconsin payroll system before the state abandoned both projects.
6. The Wisconsin voter database required by the federal Help American Vote Act (HAVA) suffered delays and cost overruns, ultimately costing \$14.1 million. Once completed, the Government Accountability Board request \$1 million annually to maintain it.
7. In 2007, the Department of Health Services announced that an upgrade of the state's computer system that processes claims for BadgerCare, SeniorCare and other Medicaid programs was 39,000 worker hours behind schedule and at least \$9.3 million over budget - 28.8% more than the original projections.
8. According to a 2009 Wisconsin Legislative Audit Bureau Report, the Doyle Administration was off by nearly \$100 million when it estimated in 2005 that

consolidating state computer servers would cost \$12.8 million. With costs exceeding \$100 million, the administration announced plans to stop tracking expenditures in June, 2010;

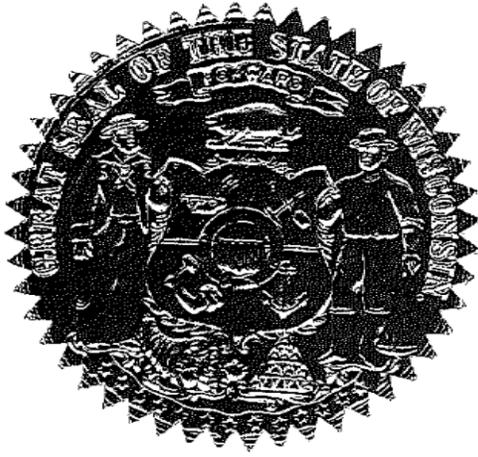
WHEREAS, Wisconsin has the nation's 10th worst tax climate for business according to the Washington, D.C.-based Tax Foundation and Wisconsin's total tax burden ranks 14<sup>th</sup>, with taxpayers paying 5 percent more than the national average, according to U.S. Census Bureau Data;

WHEREAS, reducing Wisconsin's unsustainable tax burden requires reining in runaway government spending by making government smaller and ending the practice of deficit spending;

**NOW THEREFORE, I, Scott Walker**, Governor of the State of Wisconsin, by virtue of the authority vested in me by the Constitution and laws of this State, and specifically by Wis. Stat. s. 14.019., do hereby:

Establish the Governor's Commission on Waste, Fraud and Abuse; and

1. Provide that the Commission shall consist of seven members consisting of the following:
  - a. One member serving at the pleasure of the Governor who shall represent private employers in Wisconsin, and who shall also be the Chairperson of the Commission;
  - b. A second member serving at the pleasure of the Governor;
  - c. The Secretary of the Department of Administration or his or her designee;
  - d. One member of the majority party and one member of the minority party in each house of the Legislature, appointed in the same manner as members of standing committees are appointed; and
2. Provide that the Commission shall have the following mission:
  - a. To identify waste, fraud and abuse in state government programs and state appropriations and recommend solutions.
  - b. To obtain and review all budget documentation for each state agency, including detailed information regarding the appropriations and programs administered and the related personnel costs.
  - c. To advise the governor about the long and short-term impact of the Commission's recommendations on state appropriations, efforts to make government smaller and more efficient, and ongoing economic development initiatives; and
3. Require the Commission to meet no later than seven days after this Executive Order has been deposited with the Secretary of State; and
4. Require the Commission to submit a report to the Governor with its findings and recommendations on July 1, 2011 and on January 1, 2012, and provide that the Commission shall dissolve when its final report is accepted by the Governor.



By the Governor:

*Douglas La Follette*  
DOUGLAS LA FOLLETTE  
Secretary of State

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Wisconsin to be affixed. Done at the Capitol in the City of Madison this third day of January, in the year two thousand eleven.

*Scott Walker*  
SCOTT WALKER  
Governor