



2015 SENATE BILL 573

January 15, 2016 - Introduced by Senators HANSEN, CARPENTER, KAPENGA, C. LARSON, MARKLEIN, NASS, RINGHAND, RISSER, VINEHOUT and WANGGAARD, cosponsored by Representatives KERKMAN, MACCO, JACQUE, C. TAYLOR, BERCEAU, R. BROOKS, DANOU, DUCHOW, GENRICH, HORLACHER, JORGENSEN, KESSLER, KITCHENS, KOLSTE, KREMER, KULP, T. LARSON, NEYLON, NOVAK, PETRYK, SCHRAA, SPIROS, STEFFEN, SUBECK, THIESFELDT, TITTL, TRANEL and YOUNG. Referred to Committee on Economic Development and Commerce.

1 **AN ACT** *to create* 238.121 and 946.795 of the statutes; **relating to:** providing
2 fraudulent information to the Wisconsin Economic Development Corporation
3 and providing a criminal penalty.

Analysis by the Legislative Reference Bureau

This bill establishes criminal penalties and other consequences for committing fraud against the Wisconsin Economic Development Corporation (WEDC). Under the bill, no one may make or cause to be made a false statement on an application for a grant, loan, tax benefit, or other benefit or payment (benefit) from WEDC or make or cause to be made a false statement of a material fact used to determine eligibility for a benefit from WEDC.

Additionally, if a person knows of the occurrence of any event that would affect the initial or continued eligibility for a benefit from WEDC, he or she may not conceal or fail to disclose that event in order to secure a benefit from WEDC or to secure a larger benefit than he or she is entitled or eligible to receive. Finally, no one may use a benefit from WEDC that is intended for a specific use for any other use. A person who does any of these things is guilty of a Class E felony and may be imprisoned for up to 15 years, fined up to \$50,000, or both.

Also, under the bill, if a person, or the person's authorized agent on behalf of that person, intentionally commits such economic development benefits fraud, the person, including all affiliates and successors, is ineligible for economic development benefits from WEDC for seven years from the date on which the fraudulent act was committed.

SENATE BILL 573

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 238.121 of the statutes is created to read:

2 **238.121 Fraud in obtaining economic development benefits. (1)**

3 DEFINITIONS. In this section:

4 (a) “Economic development benefits” means a grant, loan, tax credit, or other
5 assistance under an economic development program administered by the
6 corporation.

7 (b) “Economic development benefits fraud” means any violation under s.
8 946.795.

9 **(2)** In addition to any criminal penalty and any requirement to repay economic
10 development benefits, if a person or the person’s authorized agent on behalf of that
11 person intentionally commits economic development benefits fraud, the person,
12 including all affiliates and successors, shall be ineligible for economic development
13 benefits for 7 years from the date on which the act of economic development benefits
14 fraud was committed.

15 **SECTION 2.** 946.795 of the statutes is created to read:

16 **946.795 Fraud against the Wisconsin Economic Development**
17 **Corporation. (1)** In this section, “benefit” means an economic development benefit,
18 as defined in s. 238.121 (1) (a).

19 **(2)** Whoever does any of the following is guilty of a Class E felony:

SENATE BILL 573

1 (a) Intentionally makes or causes to be made any false statement or
2 representation of a material fact in any application for a benefit from the Wisconsin
3 Economic Development Corporation.

4 (b) Intentionally makes or causes to be made any false statement or
5 representation of a material fact for use in determining eligibility for a benefit from
6 the Wisconsin Economic Development Corporation.

7 (c) Having knowledge of the occurrence of any event affecting the initial or
8 continued eligibility for a benefit or the initial or continued eligibility for any such
9 benefit of any other person in whose behalf he or she has applied for or is receiving
10 such benefit, conceals or fails to disclose such event with an intent to fraudulently
11 secure such benefit either in a greater amount or quantity than is due or when no
12 such benefit is authorized.

13 (d) Having applied to receive a benefit from the Wisconsin Economic
14 Development Corporation for a specific use or purpose and having received it,
15 knowingly and willfully converts the benefit or any part thereof to a use or purpose
16 other than that specified by the Wisconsin Economic Development Corporation.

17 (END)