



STATE OF WISCONSIN

Legislative Audit Bureau

NONPARTISAN • INDEPENDENT • ACCURATE

Report 22-21
November 2022

We're All In and Wisconsin Tomorrow Programs



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We're All In and Wisconsin Tomorrow Programs



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Legislative Audit Bureau

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November 29, 2022

Senator Robert Cowles, Co-chairperson
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Cowles:

In response to the Joint Legislative Audit Committee's request that we evaluate how state agencies spent supplemental federal funds the State received because of the public health emergency, we have completed a limited-scope review of how the Department of Revenue (DOR) administered two programs. Through June 2022, DOR awarded \$220.7 million through 38,116 grants through its We're All In program to small businesses and restaurants, and it awarded \$375.3 million through 61,637 grants through its Wisconsin Tomorrow program to small businesses and to lodging establishments. DOR, which typically does not administer grant programs, administered the two grant programs with its existing staff.

Supplemental federal funding agreements with the Department of Administration (DOA) specified eligibility requirements that businesses needed to meet in order to be awarded program grants, and DOR developed additional written eligibility requirements. At times, DOR awarded grants to additional businesses that had experienced economic damages as a result of the public health emergency. However, DOR did not modify its agreements with DOA or modify the written eligibility requirements it developed in order to reflect the adjustments it made to the eligibility requirements. Our review of 172 program grants totaling \$4.1 million found that DOR did not follow the written eligibility requirements for 45 grants totaling \$475,000.

We also assessed a report made to our Fraud, Waste, and Mismanagement Hotline that raised concerns about DOR's administration of its grant programs, and that we determined were consistent with our findings.

While our limited-scope review was ongoing, DOR indicated that it had begun to identify and recover program grants it had made in error and that it planned to undertake certain additional efforts to identify and recover such grants. We recommend that DOR report to the Joint Legislative Audit Committee on the results of its efforts.

We appreciate the courtesy and cooperation extended to us by DOR. A response from DOR's secretary follows the report.

Respectfully submitted,

Joe Chrisman
State Auditor

JC/DS/ss

Introduction

DOR awarded grants to businesses statewide through its We're All In and Wisconsin Tomorrow programs.

The Department of Revenue (DOR) awarded grants to businesses statewide through its We're All In and Wisconsin Tomorrow programs. Both programs were intended to assist Wisconsin businesses that experienced economic damages during the public health emergency. Both programs were supported by supplemental federal funds the State received as a result of the public health emergency. Federal legislation did not require the State to establish either program. Instead, the Department of Administration (DOA) allocated discretionary federal funds to DOR, which then established the programs.

Wisconsin received supplemental federal funds through multiple federal acts. The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided funds to support K-12 and higher education, unemployment benefits, and transit, including \$2.0 billion provided through the Coronavirus Relief Fund. The American Rescue Plan Act (ARPA) provided funds to support education, health, and transportation, including \$2.5 billion provided through the Coronavirus State and Local Fiscal Recovery Funds program. These federal acts provide flexibility in administering a portion of the supplemental federal funds. In some instances, DOA allocated the funds for particular programs.

From December 2020 through June 2022, DOA allocated \$599.2 million in supplemental federal funds to support DOR's two programs.

As shown in Table 1, DOA allocated \$599.2 million in supplemental federal funds to support DOR's two programs from December 2020 through June 2022. For the We're All In program, DOA allocated separate amounts to support small businesses and restaurants and similar entities, such as brewpubs and businesses in the amusement and recreation industries. For the Wisconsin Tomorrow program, DOA similarly allocated separate amounts to support small businesses and lodging establishments.

Table 1

Supplemental Federal Funds that DOA Allocated for DOR's Programs
December 2020 through June 2022
(in millions)

Program	Amount
We're All In	
Small Businesses	\$180.4
Restaurants	40.2
Wisconsin Tomorrow	
Small Businesses	303.5
Lodging Establishments	75.1
Total	\$599.2

DOA and DOR signed three agreements pertaining to the \$599.2 million in supplemental federal funds, including:

- A December 2020 agreement, which was subsequently amended, allocated \$220.6 million in CARES Act funds for the We're All In program. The agreement required DOR to use the funds to award grants to certain small businesses and restaurants and similar entities, and it allowed DOR to incur expenditures for program administration.
- A July 2021 agreement, which was subsequently amended, allocated \$303.5 million in ARPA funds for the Wisconsin Tomorrow program. The agreement required DOR to use the funds to award grants to certain small businesses. In July 2022 and August 2022, DOA and DOR executed amendments that modified the source of \$17.1 million in funding from ARPA to the CARES Act and provided \$869,000 for program administration.
- A November 2021 agreement allocated \$75.1 million in ARPA funds for the Wisconsin Tomorrow program. The agreement required DOR to use the funds to award grants to certain lodging establishments.

The July 2021 agreement provided the Wisconsin Economic Development Corporation (WEDC) with \$215,000 to publicize the Wisconsin Tomorrow program. WEDC indicated that it did so through social media campaigns, digital advertisements, and regional economic development organizations. Before DOR awarded grants through its We're All In program, WEDC awarded an initial round of grants through its We're All In program. As we reported in our most recent statutorily required evaluation of WEDC (report 21-7), WEDC awarded 26,122 businesses a total of \$65.3 million in We're All In grants through September 2020.

DOR indicated that administering the We're All In and Wisconsin Tomorrow programs presented challenges, including awarding grants with little preparation time and responding to a large number of questions about the grants from small businesses, restaurants, and lodging establishments. In 2021, DOR also administered the Wisconsin Farm Support program, through which it awarded two rounds of grants. DOR, which typically does not administer grant programs, administered the We're All In and Wisconsin Tomorrow programs with its existing staff.

To complete this limited-scope review, we interviewed DOR, including its Division of Income, Sales and Excise Tax, which administered both programs. We also interviewed WEDC and three organizations that represent Wisconsin businesses, including the Wisconsin Small Business Association, the Wisconsin Restaurant Association, and the Wisconsin Hotel and Lodging Association. We reviewed DOR's agreements with DOA, analyzed DOR's program expenditures from December 2020 through June 2022, and examined DOR's policies and procedures for awarding grants through the two programs. In addition, we performed a detailed review of certain data in DOR's sales and income tax system, including the grant applications and the tax return information of the small businesses, restaurants, and lodging establishments that were awarded a total of 172 grants, including 87 grants awarded through the We're All In program and 85 grants awarded through the Wisconsin Tomorrow program.

We also assessed a report made to our Fraud, Waste, and Mismanagement Hotline that raised concerns about DOR's administration of its grant programs, and that we determined were consistent with our findings.

■ ■ ■ ■

We're All In Program

We analyzed DOR's administration of its We're All In program, which awarded \$220.7 million in program grants to small businesses and restaurants and similar entities through June 2022.

We analyzed DOR's administration of its We're All In program. DOR awarded two rounds of grants through the program, including grants to small businesses and grants to restaurants and similar entities, such as brewpubs and businesses in the amusement and recreation industries. Through June 2022, DOR awarded \$220.7 million through 38,116 program grants. Supplemental federal funding agreements with DOA specified eligibility requirements that businesses needed to meet in order to be awarded program grants, and DOR developed additional written eligibility requirements. We performed a detailed review of 87 program grants totaling \$805,000, including 61 small business grants and 26 restaurant grants. Our detailed review found that DOR did not follow the written eligibility requirements for 25 program grants totaling \$375,000, including for 7 small business grants totaling \$35,000 and for 18 restaurant grants totaling \$340,000. While our limited-scope review was ongoing, DOR indicated that it had begun to identify and recover program grants it had made in error and that it planned to undertake additional efforts to identify and recover such grants. We recommend DOR report to the Joint Legislative Audit Committee on the results of its efforts.

Program Expenditures

DOR awarded two rounds of program grants:

- From December 2020 through April 2021, DOR awarded \$5,000 grants to 36,093 small businesses. Each small business received one grant.
- From December 2020 through January 2021, DOR awarded grants to 2,023 restaurants and similar

entities. Most grants were \$20,000. However, DOR reduced a grant by an amount equal to the total amount of the grants that a given restaurant or similar entity had previously been awarded, such as a small business grant through its We're All In program or a grant through WEDC's We're All In program. Each restaurant and similar entity received one grant.

Program expenditures totaled \$220.9 million from December 2020 through June 2022.

As shown in Table 2, program expenditures totaled \$220.9 million from December 2020 through June 2022, including \$220.7 million in program grants and \$0.2 million in program administration, almost all of which was for staffing costs.

Table 2

We're All In Program Expenditures, by Type¹
 December 2020 through June 2022
 (in millions)

Type	Amount
Small Business Grants	\$180.5 ²
Restaurant Grants	40.2
Subtotal	220.7
Program Administration ³	0.2
Total	\$220.9

¹ CARES Act funds supported program expenditures.

² DOR spent \$45,000 more than the amount DOA had allocated.

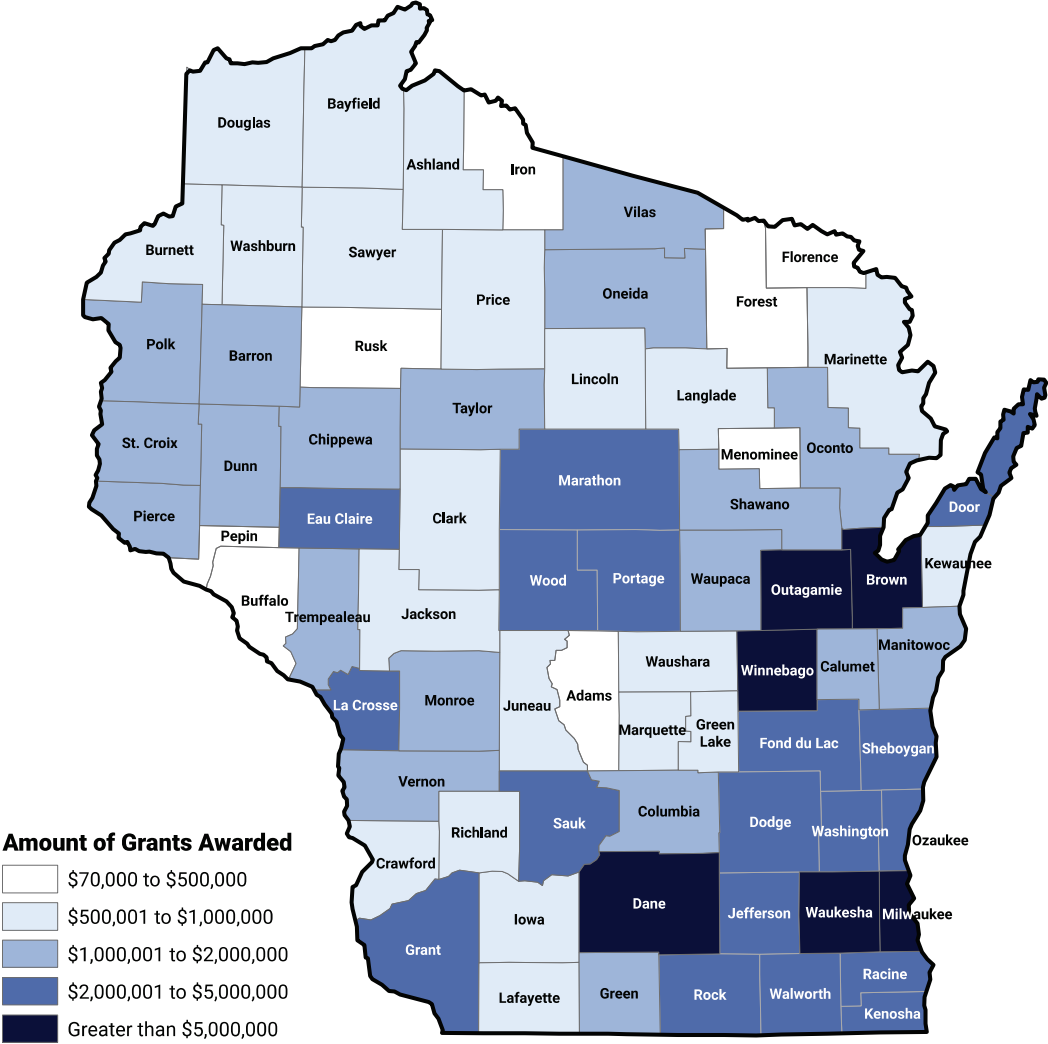
³ Includes staffing, software maintenance, and supplies.

Small business grants awarded in a given county ranged from 14 grants totaling \$70,000 in Menominee County to 5,556 grants totaling \$27.8 million in Milwaukee County.

Small business grants awarded in a given county ranged from 14 grants totaling \$70,000 in Menominee County to 5,556 grants totaling \$27.8 million in Milwaukee County. Figure 1 shows the amount awarded in each county.

Figure 1

We're All In Program: Small Business Grants, by County¹
December 2020 through June 2022



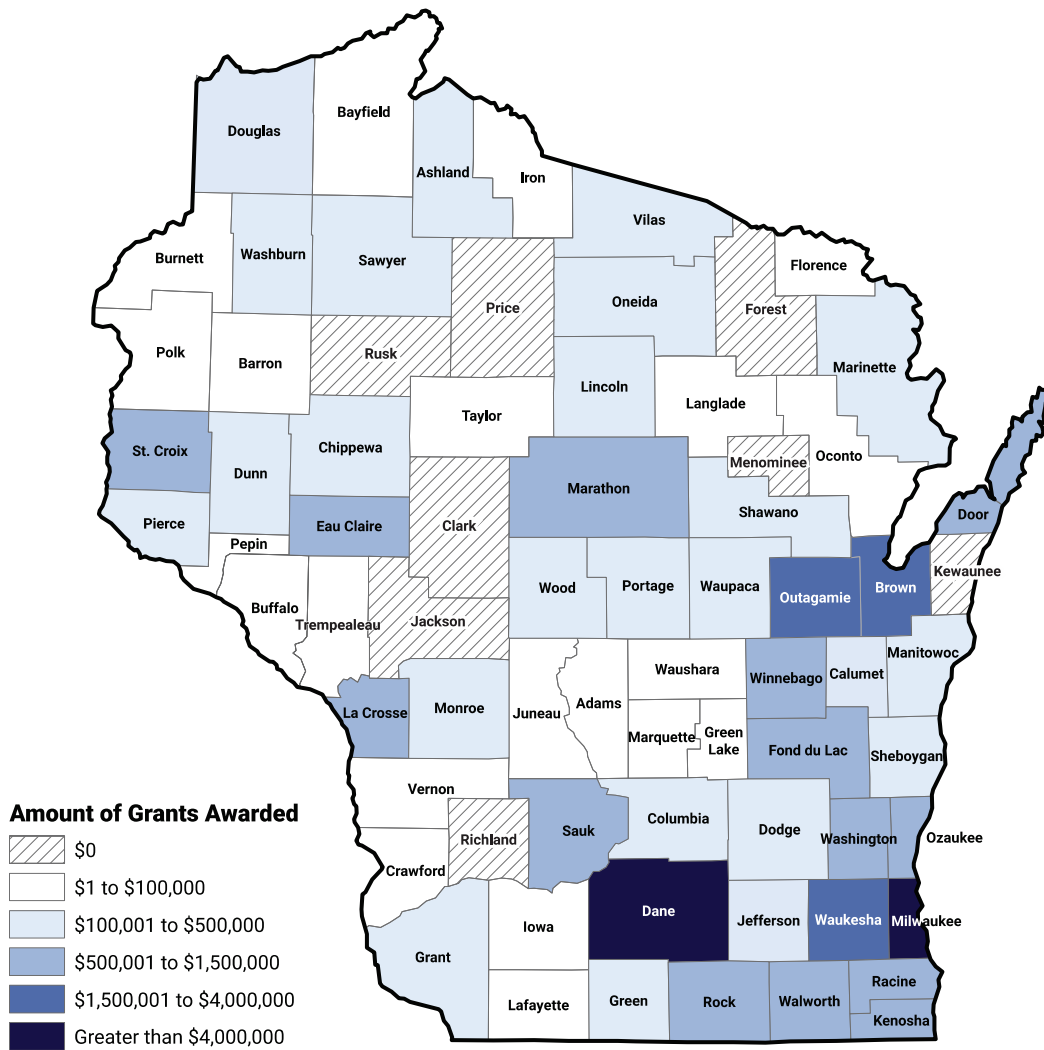
¹ According to data provided by DOR. Excludes 504 grants for which recipients did not indicate their Wisconsin locations.

Restaurant grants awarded in a given county ranged from 1 grant totaling \$20,000 in each of five counties to 357 grants totaling \$7.1 million in Milwaukee County.

Restaurant grants awarded in a given county ranged from 1 grant totaling \$20,000 in Vernon, Taylor, Marquette, Iron, and Florence counties to 357 grants totaling \$7.1 million in Milwaukee County. Figure 2 shows the amount awarded in each county. No restaurant grants were awarded in Clark, Forest, Jackson, Kewaunee, Menominee, Price, Richland, and Rusk counties.

Figure 2

We're All In Program: Restaurant Grants, by County¹
 December 2020 through June 2022



¹ According to data provided by DOR. Excludes 108 grants for which recipients did not indicate their Wisconsin locations.

Program Administration

Under the agreements with DOA, DOR was required to award program grants to small businesses and restaurants that had experienced economic damages because of the public health emergency. In addition, DOR required the small businesses and restaurants not to be on its list of delinquent taxpayers, the Department of Transportation's (DOT's) list of debarred contractors, or DOA's list of ineligible vendors. To assess the

eligibility of the small businesses and restaurants for the grants, DOR relied on:

- its tax system to verify certain information, such as annual revenue and sales; and
- small businesses and restaurants to attest to information not in its tax system, such as the extent to which their employees worked in Wisconsin or whether they were operational when they applied for the grants.

DOR used the data in its tax system, as well as information that small businesses and restaurants had provided in their grant applications and attestations, in order to determine whether to award individual program grants. Determining whether to award grants typically occurred automatically, according to parameters DOR established, and without the need for DOR to consider the merits of individual grant applications. However, DOR manually reviewed some grant applications and other information because, for example, small businesses and restaurants contacted DOR to ask why they did not receive grants. After completing such manual reviews, DOR at times adjusted the eligibility requirements and awarded grants to small businesses and restaurants that met these adjusted requirements. DOR indicated it adjusted the eligibility requirements in order to meet the needs of small businesses and restaurants that had experienced economic damages as a result of the public health emergency. However, DOR did not modify its agreements with DOA or modify the written eligibility requirements it developed in order to reflect the adjustments to the eligibility requirements that it made.

After awarding the program grants, DOR did not require small businesses and restaurants to report on how they spent their grants. Under the agreements with DOA, small businesses and restaurants were not required to submit such reports.

To assess DOR's administration of the program, we examined:

- how DOR determined whether small businesses were eligible to receive program grants;
- how DOR determined whether restaurants and similar entities were eligible to receive program grants; and
- DOR's efforts to ensure program integrity.

We assessed DOR's administration of the program, in part, by performing a detailed review of DOR's available information for 87 grants. These grants included 20 grants we randomly selected and 67 grants we selected because, for example, information provided by small businesses and restaurants in their grant applications or DOR's tax system indicated that the businesses may have been ineligible for grants. We determined whether DOR awarded grants based on the

eligibility requirements in the agreements with DOA and the written eligibility requirements it developed. Because our review is not based on a randomly selected and statistically valid sample of grants, it is not appropriate to extrapolate the results of our review to all grants that DOR awarded.

We found that DOR did not follow the written eligibility requirements for 25 grants totaling \$375,000.

As shown in Table 3, our review of 87 program grants totaling \$805,000 found that DOR did not follow the written eligibility requirements for 25 grants totaling \$375,000. Our review found that DOR did not follow multiple written eligibility requirements for two restaurant grants.

Table 3

Results of Our Review of Selected We're All In Program Grants, by Type¹

Type of Grant	Grants We Reviewed		Grants for Which DOR Did Not Follow Written Eligibility Requirements	
	Number	Amount	Number	Amount
Small Business	61	\$305,000	7	\$ 35,000
Restaurant	26	500,000	18	340,000
Total	87	\$805,000	25	\$375,000

¹ Because our review is not based on a randomly selected and statistically valid sample of grants, it is not appropriate to extrapolate the results of our review to all grants that DOR awarded.

Small Business Grants

Under the agreement with DOA, small businesses were eligible for program grants if they had less than \$1.0 million in annual revenue and no more than 50 employees. On its website, DOR specified additional written eligibility requirements, including requiring small businesses to have:

- filed their 2019 federal and Wisconsin income or franchise tax returns;
- had at least 75.0 percent of the total value of their property owned or rented and used for business purposes located in Wisconsin in 2019; and
- had at least 75.0 percent of their total labor costs incurred by individuals who performed services in Wisconsin in 2019.

DOR required small businesses to apply for the program grants. DOR indicated that it awarded grants to all small businesses that applied for them and met the requirements in its agreement with DOA and the additional written eligibility requirements specified on its website.

DOR awarded program grants to small businesses that were ineligible for a variety of reasons.

Our detailed review of 61 small business grants found that:

- DOR awarded a total of \$20,000 in four grants to four small businesses that reported annual revenue in 2019 that ranged from \$1,005,500 to \$1,039,600, which exceeded the \$1.0 million maximum specified in DOR's agreement with DOA. DOR indicated it awarded grants to small businesses that reported annual revenue up to \$1.1 million.
- DOR awarded a total of \$15,000 in three grants to three small businesses that did not have 2019 tax returns with the required schedules in its tax system. DOR indicated it awarded these grants in error.

After we had identified the \$15,000 awarded to 3 small businesses that did not have 2019 tax returns with the required schedules in the tax system, DOR indicated it may have awarded 193 program grants in error to 193 small businesses that did not have 2019 tax returns with the required schedules in its tax system. In August 2022, DOR indicated it was reviewing these grants and planning to seek repayment from any small businesses that were ineligible for the grants.

Restaurant Grants

Under the agreement with DOA, restaurants and similar entities were eligible for program grants if their total sales in 2019 were between \$1.0 million and \$7.0 million. The agreement also required the restaurants and similar entities to attest to having suffered economic damages because of the public health emergency. DOR used its tax system to identify restaurants and similar entities that met the total sales requirement in 2019 and invited them to accept the program grants. DOR indicated it awarded grants to all restaurants and similar entities that met the eligibility requirements.

Our detailed review of 26 restaurant grants found that DOR awarded a total of \$260,000 in 14 grants to 14 restaurants that reported total sales in 2019 that ranged from \$845,500 to \$996,400, which was less than the \$1.0 million minimum specified in the agreement. The 14 restaurants included:

- 11 restaurants that reported more than \$1.0 million in annual revenue and, as a result, had been ineligible for \$5,000 small business grants. DOR indicated it awarded the restaurant grants in order to help offset the economic damages of the public health

emergency. DOR provided us with information indicating it awarded a total of \$720,000 in grants to a total of 37 restaurants that reported total sales in 2019 that ranged from \$845,000 to \$1.0 million.

- 3 restaurants that were each awarded \$15,000 grants, rather than the \$20,000 that was typically awarded, because DOR had previously awarded them \$5,000 small business grants.

DOR awarded a program grant to a restaurant that was closed for business because of a fire and reported no sales after November 2020.

Our detailed review found that DOR awarded a \$20,000 program grant in December 2020 to a restaurant that was closed for business because of a fire at its premises one month earlier. DOR required restaurants to attest that they were open and operating in order to be awarded a grant. DOR's information indicated that the restaurant asked DOR in December 2020 if it was eligible for a grant, and that DOR instructed the restaurant to attest that it was open and operating. DOR indicated it awarded the grant because the restaurant planned to reopen and continued to file tax returns. As of July 2022, DOR's tax system indicated the restaurant had reported no sales after November 2020.

Our detailed review found that DOR awarded a \$20,000 program grant to a restaurant that was identified in its tax system as being delinquent in paying Wisconsin taxes. DOR indicated it awarded the grant in error.

Under the agreement with DOA, restaurants awarded program grants were required to have suffered economic damages because of the public health emergency and to have substantially less taxable sales revenue for the period from April 2020 through October 2020, compared to same period in 2019. However, the agreement also allowed DOR to award grants to restaurants that had increased sales from 2019 to 2020, as long as such an increase was lower than a percentage that DOR was to identify. DOR indicated that it recognized these provisions conflicted and decided to award grants to restaurants with sales that had increased by up to 25.0 percent from 2019 to 2020. However, a December 2020 DOR policy required sales to have decreased from 2019 to 2020 in order for a restaurant to be eligible for a grant.

DOR awarded program grants to restaurants that reported sales increases from 2019 to 2020.

Our detailed review found that DOR awarded a total of \$80,000 in four program grants to four restaurants that reported sales increases that ranged from 0.8 percent to 18.2 percent for the period from April 2020 through October 2020, compared to the same period in 2019. DOR indicated it awarded these grants because the restaurants reported that their sales had increased by less than 25.0 percent, restaurant operating costs increased because of the public health emergency, and sufficient funds were available to cover the grants. None of these four grants complied with the December 2020 DOR policy.

Program Integrity

After DOR awarded the program grants and through August 2022, it identified 12 grant applications that it determined were fraudulent because, for example, the applicants did not own the businesses or were not located at the addresses listed on the applications. DOR identified these 12 grant applications based on its own investigations and information financial institutions provided to it. Through August 2022, DOR had recovered \$26,100 of the \$60,000 in grants it had awarded based on these 12 grant applications.

Recovery of Grants Awarded in Error

As noted, our detailed review found that DOR awarded program grants in error, and DOR indicated it was determining the extent to which it may have awarded certain grants in error. In August 2022, DOR indicated it had identified 193 small businesses that did not have 2019 tax returns with the required schedules in its tax system and was reviewing these grants and planning to collect repayment from any small businesses that were ineligible for the grants.

In September 2022, DOR indicated it plans to take additional efforts to identify and recover grants it had awarded in error. For example, DOR indicated it may review information in its tax system to determine whether small businesses were operating when they applied for grants, whether they had 75.0 percent of their business property in Wisconsin in 2019, and whether they had 75.0 percent of their labor costs incurred by individuals in Wisconsin in 2019.

DOR should undertake additional efforts to identify and recover We're All In grants it awarded in error.

DOR should undertake additional efforts to identify and recover We're All In grants it awarded in error. Such efforts will help to ensure that only eligible small businesses and restaurants were awarded grants.

Recommendation

We recommend the Department of Revenue:

- *undertake additional efforts to identify and recover We're All In grants it awarded in error; and*
- *report to the Joint Legislative Audit Committee by February 15, 2023, on the status of its efforts to implement this recommendation.*

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Wisconsin Tomorrow Program

We analyzed DOR's administration of its Wisconsin Tomorrow program, which awarded \$375.3 million in program grants to small businesses and lodging establishments through June 2022.

We analyzed DOR's administration of its Wisconsin Tomorrow program. DOR awarded two rounds of grants through the program, including grants to small businesses and grants to lodging establishments. Through June 2022, DOR awarded \$375.3 million through 61,637 program grants. Supplemental federal funding agreements with DOA specified eligibility requirements that businesses needed to meet in order to be awarded program grants, and DOR developed additional written eligibility requirements. We performed a detailed review of 85 program grants totaling \$3.3 million, including 71 small business grants and 14 lodging establishment grants. Our detailed review found that DOR did not follow the written eligibility requirements for 20 small business grants totaling \$100,000. While our limited-scope review was ongoing, DOR indicated it planned to undertake efforts to identify and recover program grants it had made in error. We recommend DOR report to the Joint Legislative Audit Committee on the results of its efforts.

Program Expenditures

DOR awarded two rounds of program grants:

- From June 2021 through September 2021, DOR awarded \$5,000 grants to 60,667 small businesses. Each small business received one grant.
- From August 2021 through October 2021, DOR awarded grants of up to \$2.0 million each to 970 lodging establishments. Grants equaled 8.5 percent of the decrease in a given lodging

establishment’s taxable sales from 2019 to 2020. DOR reduced a grant by \$5,000 if it had previously awarded a given lodging establishment a small business program grant. Each lodging establishment received one grant.

Program expenditures totaled \$376.0 million from June 2021 through June 2022.

As shown in Table 4, program expenditures totaled \$376.0 million from June 2021 through June 2022, including \$375.3 million for program grants. The \$0.7 million in program administration expenditures included \$0.5 million for staffing costs and \$0.2 million for other costs, such as software maintenance.

Table 4

Wisconsin Tomorrow Program Expenditures, by Type¹
 June 2021 through June 2022
 (in millions)

Type	Amount
Small Business Grants	\$303.0
Lodging Establishment Grants	72.2
Subtotal	375.3
Program Administration ²	0.7
Total	\$376.0

¹ ARPA and CARES Act funds supported program expenditures.

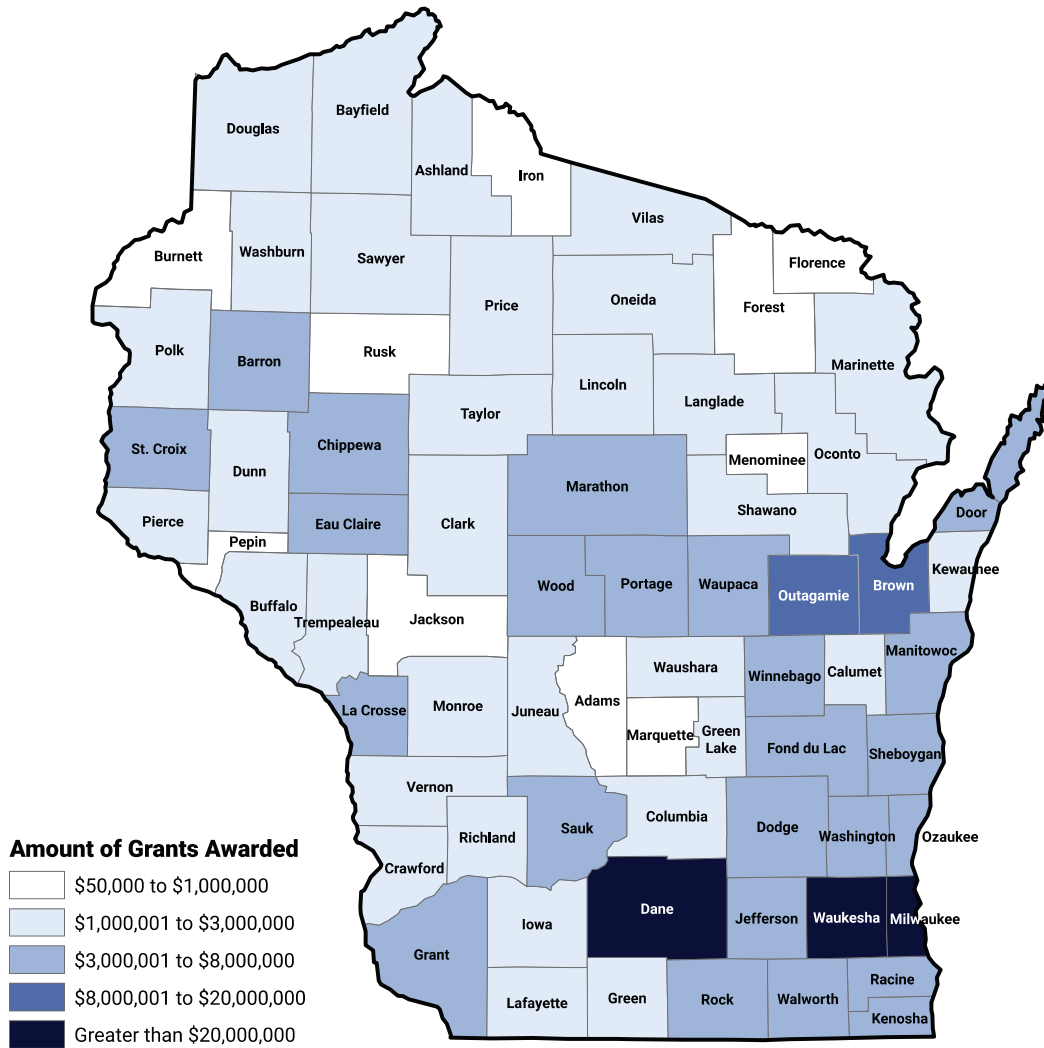
² Includes staffing, software maintenance, and supplies.

Small business grants awarded in a given county ranged from 10 grants totaling \$50,000 in Menominee County to 9,090 grants totaling \$45.5 million in Milwaukee County.

Small business grants awarded in a given county ranged from 10 grants totaling \$50,000 in Menominee County to 9,090 grants totaling \$45.5 million in Milwaukee County. Figure 3 shows the amount awarded in each county.

Figure 3

Wisconsin Tomorrow Program: Small Business Grants, by County¹
 June 2021 through June 2022



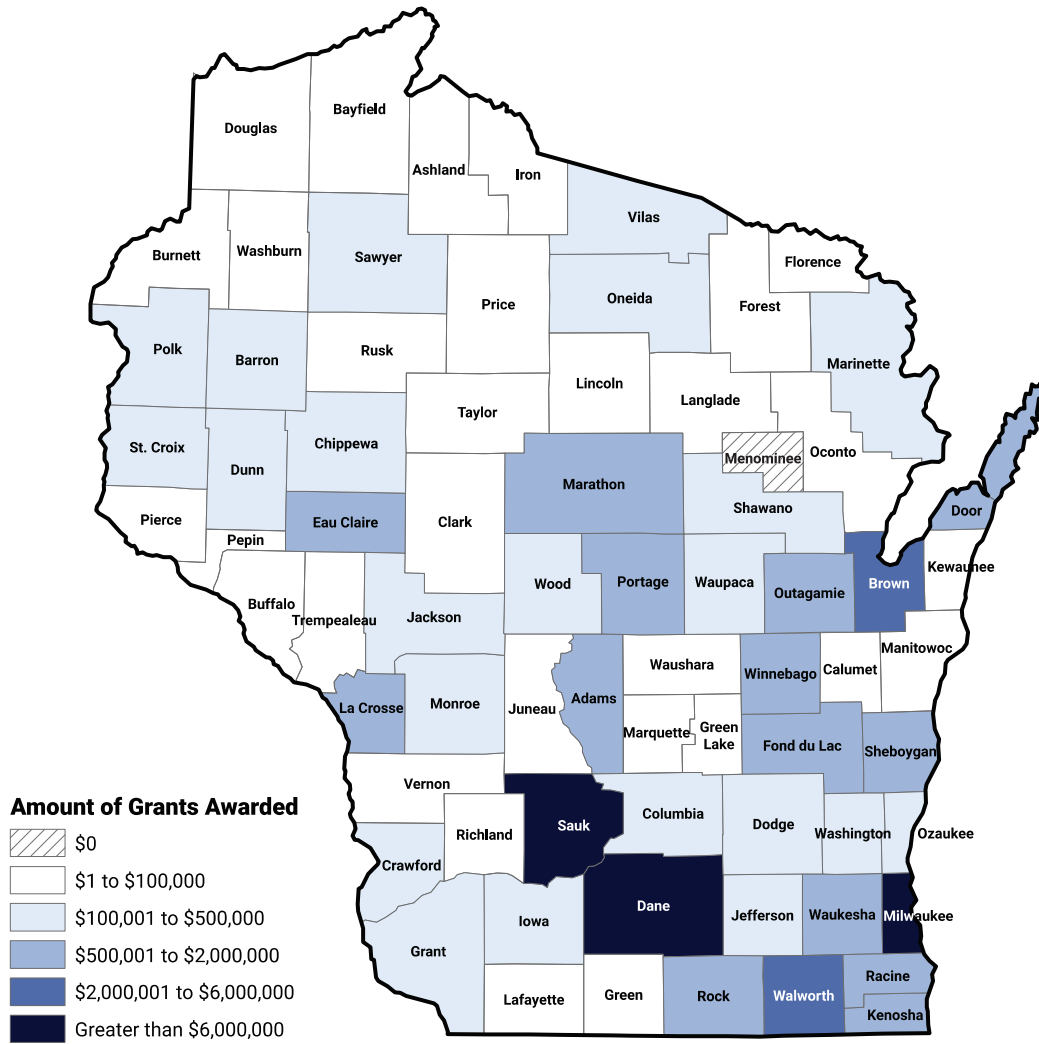
¹ According to data provided by DOR. Excludes 720 grants for which recipients did not indicate their Wisconsin locations.

Lodging establishment grants awarded in a given county ranged from 1 grant totaling \$5,000 in Pierce County to 99 grants totaling \$13.3 million in Dane County.

Lodging establishment grants awarded in a given county ranged from 1 grant totaling \$5,000 in Pierce County to 99 grants totaling \$13.3 million in Dane County. No lodging establishment grants were awarded in Menominee County. Figure 4 shows the amount awarded in each county.

Figure 4

Wisconsin Tomorrow Program: Lodging Establishment Grants, by County¹
 August 2021 through June 2022



¹ According to data provided by DOR. Excludes 97 grants for which recipients did not indicate their Wisconsin locations.

Program Administration

Under the agreements with DOA, DOR was required to award program grants to small businesses and lodging establishments that had experienced economic damages because of the public health emergency, had been operating in 2021, and had filed all required tax returns. In addition, DOR required the small businesses and lodging establishments not to be on DOT’s list of debarred contractors or

DOA's list of ineligible vendors, and the business owners not to be on the Department of Correction's sex offender registry. To assess the eligibility of the small businesses and lodging establishments for the grants, DOR relied on:

- its tax system to verify certain information, such as annual revenue and sales; and
- small businesses and lodging establishments to attest to information not in its tax system, such as the extent to which their employees worked in Wisconsin and whether they were operational.

DOR used the data in its tax system, as well as information that small businesses and lodging establishments had provided in their grant applications and attestations, in order to determine whether to award individual program grants. Determining whether to award grants typically occurred automatically, according to parameters that DOR established, and without the need for DOR to consider the merits of individual grant applications. However, DOR manually reviewed some grant applications and other information because, for example, small businesses and lodging establishments contacted DOR to ask why they did not receive grants. After completing such manual reviews, DOR at times adjusted the eligibility requirements and awarded grants to small businesses and lodging establishments that met these adjusted requirements. DOR indicated it adjusted the eligibility requirements in order to meet the needs of small businesses and lodging establishments that had experienced economic damages as a result of the public health emergency. However, DOR did not modify its agreements with DOA or modify the written eligibility requirements it developed in order to reflect the adjustments to the eligibility requirements that it made.

After awarding the program grants, DOR did not require small businesses and lodging establishments to report on how they spent their grants. Under the agreements with DOA, small businesses and restaurants were not required to submit such reports.

To assess DOR's administration of the program, we examined:

- how DOR determined whether small businesses were eligible to receive program grants;
- how DOR determined whether lodging establishments were eligible to receive program grants; and
- DOR's efforts to ensure program integrity.

We assessed DOR's administration of the program, in part, by performing a detailed review of DOR's available information for 85 grants. These grants included 20 grants we randomly selected and 65 grants we selected because, for example, information provided by small businesses in their grant applications or DOR's tax system indicated that the businesses may have been ineligible for grants. We

determined whether DOR awarded grants based on the eligibility requirements in the agreements with DOA and the written eligibility requirements it developed. Because our review is not based on a randomly selected and statistically valid sample of grants, it is not appropriate to extrapolate the results of our review to all grants that DOR awarded.

We found that DOR did not follow the written eligibility requirements for 20 grants totaling \$100,000.

As shown in Table 5, our review of 85 program grants totaling \$3.3 million found that DOR did not follow the written eligibility requirements for 20 grants totaling \$100,000. Our review found that DOR did not follow multiple written eligibility requirements for one small business grant.

Table 5

Results of Our Review of Selected Wisconsin Tomorrow Program Grants, by Type¹

Type of Grant	Grants We Reviewed		Grants for Which DOR Did Not Follow Written Eligibility Requirements	
	Number	Amount	Number	Amount
Small Business	71	\$ 355,000	20	\$100,000
Lodging Establishment	14	2,900,000	0	0
Total	85	\$3,255,000	20	\$100,000

¹ Because our review is not based on a randomly selected and statistically valid sample of grants, it is not appropriate to extrapolate the results of our review to all grants that DOR awarded.

Small Business Grants

Under the agreement with DOA, small businesses were eligible for program grants if they were not nonprofit organizations and were not primarily engaged in crop production, animal production, aquaculture, or leasing real estate. The agreement required small businesses to have:

- begun operating on or before December 31, 2020;
- filed 2019 federal and Wisconsin income or franchise tax returns, or reported 2020 information in their grant applications if the small businesses began operating in 2020; and
- annual revenue in 2019 that was more than \$10,000 but less than \$7.0 million, or reported 2020 annual revenue in that range if a small business was not operating in 2019.

Under the agreement, small businesses were required to meet three additional requirements. DOR required small businesses to attest that:

- at least 75.0 percent of the total value of their property owned or rented and used for business purposes was located in Wisconsin in 2019;
- at least 75.0 percent of their total labor costs was incurred by individuals who performed services in Wisconsin in 2019; and
- they were operational.

DOR required small businesses to apply for the program grants. DOR indicated that it awarded grants to all small businesses that applied for them and met the eligibility requirements.

DOR awarded program grants to small businesses that reported annual revenue less than the specified minimum amount.

Our detailed review found that DOR awarded a total of \$30,000 in six program grants to six small businesses that reported annual revenue in 2019 that ranged from \$1,100 to \$9,800, which was less than the \$10,000 minimum specified in the agreement. DOR indicated that it:

- based its eligibility determination for three small businesses on 2020 annual revenue because the small businesses had more than \$10,000 in annual revenue in 2020;
- awarded a grant to one small business because its annual revenue in 2019 was less than 10.0 percent under \$10,000;
- relied on 2020 annual revenue for one small business that began operating late in 2019 and that had annual revenue more than \$10,000 in 2020, but not in 2019; and
- awarded a grant in error to one small business, from which it planned to seek repayment.

Our detailed review found that DOR awarded a total of \$15,000 in three program grants to three small businesses that began operating in 2020 and had annual revenue that ranged from \$1,200 to \$4,200, which was less than the \$10,000 minimum specified in the agreement. DOR indicated it:

- allowed one small business to keep its grant because it had awarded the grant in error; and
- decided not to apply the minimum annual revenue requirement for two small businesses that began operating in 2020.

DOR awarded program grants to small businesses that reported annual revenue more than the specified maximum amount.

Our detailed review found that DOR awarded a total of \$10,000 in two program grants to two small businesses that reported annual revenue in 2019 of \$7.7 million and \$8.4 million, which exceeded the \$7.0 million maximum specified in the agreement. Both small businesses reported less than \$7.0 million in annual revenue in 2020. DOR indicated it based its eligibility determinations for these two small businesses on 2020 annual revenue, instead of 2019 annual revenue, because both small businesses experienced an annual revenue decrease in 2020.

DOR awarded program grants to small businesses that attested in their grant applications that they did not meet one or more written eligibility requirements.

Our detailed review found that DOR awarded a total of \$50,000 in 10 program grants to 10 small businesses that attested in their grant applications that they did not meet one or more written eligibility requirements that required them to be operational, have 75.0 percent of their business property in Wisconsin, and have 75.0 percent of their labor costs incurred by individuals in Wisconsin. DOR indicated it awarded the 10 grants in error and planned to seek repayment.

Separate from our review, DOR determined it had awarded 333 program grants in error. It indicated it had intended not to award these grants but had inadvertently made the grant payments. Through June 2022, DOR had resolved issues with 147 of the 333 grants, including by collecting repayment of 96 grants and determining after further review that small businesses were eligible for 51 grants. DOR had not resolved issues with the remaining 186 grants totaling \$930,000. DOR was pursuing repayment but indicated some small businesses were unable to repay because, for example, they were bankrupt or their owners were deceased.

Lodging Establishment Grants

Under the agreement with DOA, recipients of program grants must be engaged primarily in providing lodging to travelers. The agreement also required lodging establishments to have taxable lodging sales that were lower in 2020 than in 2019. DOR developed additional written grant eligibility requirements, including requiring lodging establishments to attest that they suffered economic damages as a result of the public health emergency.

Our detailed review of 14 program grants totaling \$2.9 million found that DOR consistently adhered to the written eligibility requirements.

DOR used its tax system to identify lodging establishments that met the taxable sales requirement and invited them to accept the program grants. DOR indicated that it awarded grants to all lodging establishments that met eligibility requirements. Our detailed review of 14 program grants totaling \$2.9 million found that DOR consistently adhered to the written eligibility requirements.

Program Integrity

DOR indicated it detected significantly more attempts to inappropriately obtain Wisconsin Tomorrow grants for small businesses, compared to such attempts to obtain We're All In grants for small businesses. As

noted, DOR required small businesses to apply for grants through both programs.

DOR developed procedures to identify and prevent individuals from inappropriately obtaining small business grants.

DOR developed procedures to identify and prevent individuals from inappropriately obtaining small business grants through the Wisconsin Tomorrow program. DOR analyzed grant applications for indications of potential fraud before awarding grants and mailed letters to 49,564 grant applicants. These letters either asked the applicants to verify their identities or informed them that their applications were denied because of ineligibility or suspected identity theft. As a result of these letters, the available information indicated that DOR:

- denied grants to 41,341 applicants, including 28,605 applicants for grants that totaled \$143.0 million and that DOR suspected were involved in identity theft or other types of fraud;
- awarded grants to 8,207 applicants;
- identified 11 duplicate applicants; and
- had not taken action regarding 5 applicants as of September 2022.

Recovery of Grants Awarded in Error

As noted, our detailed review found that DOR awarded program grants in error. In September 2022, DOR indicated it plans to identify and recover program grants it had awarded in error. For example, DOR indicated it may review information in its tax system to determine whether small businesses were operating when they applied for grants, whether they had 75.0 percent of their business property in Wisconsin in 2019, and whether they had 75.0 percent of their labor costs incurred by individuals in Wisconsin in 2019.

DOR should undertake efforts to identify and recover Wisconsin Tomorrow grants it awarded in error.

DOR should undertake efforts to identify and recover Wisconsin Tomorrow grants it awarded in error. Such efforts will help to ensure that only eligible small businesses and lodging establishments were awarded grants.

Recommendation

We recommend the Department of Revenue:

- *undertake efforts to identify and recover Wisconsin Tomorrow grants it awarded in error; and*
- *report to the Joint Legislative Audit Committee by February 15, 2023, on the status of its efforts to implement this recommendation.*

As noted, our detailed review found that DOR did not consistently award grants according to the eligibility requirements specified in its agreements with DOA, and that DOR did not consistently award grants according to the written eligibility requirements it developed. If DOR receives additional supplemental federal funds to administer grant programs, it will be important for DOR to consistently comply with the written eligibility requirements of its programs.

■ ■ ■ ■

Responses



State of Wisconsin • DEPARTMENT OF REVENUE

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Tony Evers
Governor

Peter W. Barca
Secretary of Revenue

November 16, 2022

Mr. Joe Chrisman, State Auditor
Legislative Audit Bureau
22 East Mifflin Street, Suite 500
Madison, WI 53703

Dear Mr. Chrisman,

Thank you for your limited-scope review of how the Department of Revenue (DOR) administered federally funded COVID-19 relief grant programs for small businesses, and for affording the DOR an opportunity to respond to your report and recommendations.

Executive Summary

- DOR's mission was to help as many Wisconsin businesses as quickly as possible to survive the coronavirus pandemic and help the state avoid economic collapse.
- Our goal in administering the grant programs at issue, as well as others, was to provide as much relief to businesses as possible within the guidelines set by DOA, and consistent with state and federal law. Also to do so with transparency for and accountability to Wisconsin taxpayers.
- During a pandemic without modern precedent, DOR, for the first time and without a roadmap, having never been called upon to do so previously administered grant programs to help Wisconsin businesses struggling with the costs of this economic disaster, distributing almost \$700 million to Wisconsin businesses.
 - As a share of American Rescue Plan Act funds received by states, Wisconsin was the top state the nation in directing aid to businesses in need during the pandemic.
 - Hundreds of businesses have told us they would not have survived if not for these grant programs.
 - DOR exercised flexibility in administering grants, as we learned of situations that warranted adjustments in eligibility criteria. We did so to avoid denying grants for bureaucratic reasons. We accept that we could have done a better job of properly documenting those adjustments.
- Not only did DOR aim to assist as many businesses as possible as quickly as possible, we worked to do so while navigating massive fraud attempts by scammers in order to deliver this relief. DOR took on not just the four programs reviewed by LAB, but six grant programs, and screening over 200,000 grant applications while issuing over 135,000 grants worth nearly \$700 million.
- DOR successfully stopped 28,605 fraudulent grants from going out, saving taxpayers over \$143 million and ensuring federal aid went to Wisconsinites who needed help.
- LAB reviewed 172 grants of the over 135,000 grants, a total that represents less than 0.2% of those issued, and are not a representative sample, as acknowledged in the report.
- As LAB correctly points out, the sample size of randomly selected grants was not statistically valid for extrapolating conclusions regarding the overall success rate of administration of these grant programs.
- DOR's comprehensive internal review is ongoing. Thus far, DOR has already confirmed that well over 92 percent of the grants in the We're All In Phase 2 and over 94 percent in the Wisconsin Tomorrow Small Business grant program went to eligible recipients. DOR is

continuing to manually review certain businesses for eligibility, as many of the remaining grants to be reviewed have complicated business structures.

Response

I begin our response with a message of high praise for all DOR employees who worked on these grant programs. Our entire senior leadership team are extremely proud of them. This was a massive, coordinated effort involving expertise from multiple divisions. Each deserves recognition for their hard work and contribution.

To our knowledge, DOR has never administered a grant program. However, given the pandemic and the need for speedy payments to small businesses at risk of closing, we volunteered to use our staff and information systems to process and distribute grants to businesses - quickly infusing funds into our local economy and avoiding economic collapse.

Even under these extreme circumstances, we accomplished all of this with little time to prepare, no additional staff, no reduction of existing responsibilities, and a very modest budget. Administrative costs of about \$900,000 (0.13%) were spent in distributing almost \$700 Million in grants, which includes the two Farm Support programs not reviewed in this limited scope review.

DOR-Administered Grant Program	Total Award	Total Grants	Approximate Dates
Farm Support 2020	\$50M	15,247	June, 2020 – Oct. 2020
We're All In – Phase 2	\$180.5M	36,093	Oct. 2020 – April 2021
We're All In – Restaurants	\$40.2M	2,023	Dec. 2020 – Jan. 2021
Wisconsin Tomorrow Small Business	\$303.2M	60,643	May 2021 – Sept. 2021
Wisconsin Tomorrow Lodging	\$72.2	970	July 2021-Oct. 2021
Farm Support 2021	\$50M	20,054	Nov. 2021 – March 2022
Total	\$696.2M	135,030	

Source: [WI ARPA/CARES Grant Recipients](#) dated 11/15/2022

The Evers administration and the state of Wisconsin were recognized by the Center on Budget and Policy as the top state for investing ARPA relief money into economic development, effectuated through DOR's direct payment programs. Further, there has been exceptional transparency with these grant awards as DOR set up a searchable database on its website, in addition to posting the grants on the interactive website by the Department of Administration.

The processing of grants stretched our resources; we were continuously administering grants from June of 2020 through March of 2022. We answered over 60,000 additional calls and over 20,000 additional emails – of note is that this effort is in addition to and not to the detriment of our standard day-to-day customer contacts for tax related assistance, which the DOR also simultaneously managed. It was a herculean effort to effectively and carefully administer all six grant programs while processing 3.1 million yearly tax returns, tens of thousands of monthly business tax returns, and maintaining each of our other essential responsibilities – over three tax seasons.

Our employees worked around the clock because it was critical for the health of our economy to get funds into the hands of small businesses desperately in need. Appreciative calls from business owners strengthened staff resolve to diligently and fairly administer these grant programs. Your review affirms the meticulous standards and integrity we applied to administering these grant programs. Your report documented that grant were delivered statewide to businesses that applied and met the eligibility criteria. We accept that in administering these grants quickly, human error did occur, and a miniscule number of grants were awarded incorrectly. Your report details our efforts to conduct post-grant reviews and recover grants awarded incorrectly.

DOR's adjustments to eligibility criteria were necessary and were consistent with the direction given by DOA to administer these grant programs. In all cases, the rationale for adjusting the criteria resulted in more businesses qualifying for the grants. Most grant reviews for eligibility were conducted by DOR automatically based on the written criteria DOR staff designed. However, when business owners contacted us to ask why their business was ineligible for a grant, DOR conducted a manual review. Based on the specific nature of their business, we would review our decision, sometimes approving and sometimes denying the grant. We tracked these unusual

circumstances so we could apply the decision uniformly amongst applicants. These decisions were prudent to avoid results that would have adversely affected businesses in ways we believed were unintended and unjustified. DOR was in regular communication with the DOA regarding the implementation of the grant programs.

We agree with your recommendation to report back to the Joint Legislative Audit Committee by February 15, 2023. As you mention, our staff identified grants that, due to human error, were inadvertently issued. This compelled us to fully review the grant programs we've administered. For example, in the Wisconsin Tomorrow small business program we are still working to finish verifying grants. We have already confirmed that more than 94 percent of the grants were correctly issued. In the We're All in Phase 2 grant program, we have confirmed more than 92 percent. We believe strongly that we'll find very few ineligible grantees when our review concludes. Other grant program reviews have uncovered limited numbers of ineligible grants that were awarded. We are in the process of recovering them.

We appreciate the opportunity to provide additional context to assist the public in understanding how the department made decisions about these grant programs.

Battling Fraud

The report does not fully describe the massive amount of fraud attempts that we encountered during the administration of the Wisconsin Tomorrow Small Business grants, nor the tension that resulted in trying to quickly make grant payments while at the same time guarding against the fraud identified. We expected approximately 84,000 applicants based on aggregate tax information but received over 106,000 applications. This was the first sign that something was wrong. Our skilled fraud team reviewed the data and discovered we were dealing with significant, coordinated fraud. Because some genuine applicants incorrectly answered questions, we could not simply address fraud by automatically denying applicants with incorrect information, as that would have ruled out many small businesses that would have otherwise qualified.

This created a significant tension as our team was forced to slow down the grant payments in order to ensure that fraudulent applications were not paid out. We fielded phone calls from many business owners that needed those funds immediately, but we had to first create safeguards against the fraud, which took a bit of time.

Our team worked extra hours to create algorithms that would grant genuine claims and reject payments on fraudulent applications. This required several layers of review, which resulted in payments being slightly delayed. We believe this significant fraud-prevention strategy was successful and merits further recognition in your report. As your report points out, 41,341 applications were weeded out and denied as suspicious, which included 28,605 that were identified as fraudulent. DOR's fraud specialists stopped \$143 million in fraudulent applications.

Analysis of Results / Explanation of Adjustments

1. We're All In (WAI-P2) – Phase 2 (small business)

LAB reviewed 61 WAI Phase 2 grants out of over 36,000 that were awarded. Of those 61 reviewed, seven were found to be ineligible based on DOR's initial eligibility criteria. We informed LAB that we adjusted the eligibility criteria to include a 10% margin on the annual revenue criteria. This was a business decision applied to all grant applicants that allowed more small businesses to be eligible for much needed assistance.

Of the seven grants LAB identifies as ineligible; DOR recognizes only four as ineligible and will take steps to recover these grants. Three are eligible because they fall within the 10% margin.

We note that of the grants that were randomly sampled, 100% of those were found to be eligible according to the initial criteria.

WAI – Phase 2	Total Grants	LAB Reviewed	LAB finds ineligible	DOR concurs with ineligibility
	36,093	61 (10 random/51 targeted)	7 (from the targeted dataset)	4

2. We're All In (WAI-R) – Restaurants

LAB reviewed 26 grants from the WAI-R program, of which 18 were identified as not meeting the initial eligibility guidelines. DOR agrees that one of these grants was incorrectly issued and should not have been eligible based on the initial criteria. Of the remaining 17, all were deemed eligible because of DOR adjustments to eligibility based on the "Gap List", the "25% change", and the "operational rule." Each are described in more detail below. Keep in mind that the Memorandum Of Understanding (MOU) with DOA was developed prior to DOR's in-depth analysis of eligible restaurants.

Note these grants were very different in that they were closed grants administered by invitation only. DOR's ability to review tax information made it unnecessary for businesses to apply for these grants. Instead, DOR identified all businesses that fit the eligibility criteria and invited them to complete an attestation to qualify. Because the adjusted criteria was universally applied, all businesses were treated fairly and the adjusted criteria served to ensure that we didn't disqualify the very businesses we were seeking to assist.

WAI – R	Total Grants	LAB Reviewed	LAB finds ineligible	DOR concurs with ineligibility
	2,023	26 (10 random/16 targeted)	18 (from the targeted dataset)	1

Gap List

When creating the WAI P2 program, DOR used a "gross revenue" standard to set the \$1 million maximum threshold for small businesses. However, when creating the WAI–R program, DOR used sales tax revenue to set the \$1 million minimum threshold. Sales tax revenue was used because it is most indicative of a restaurant's performance, and all restaurants have taxable sales.

Using two different methods for determining eligibility created a “gap” in which a restaurant did not qualify for the WAI P2 program because gross revenue was above the eligibility cap and did not qualify for the WAI-R program because sales revenue was below the eligibility floor. This issue was brought to our attention by several restaurants. Upon a closer review of our tax data, we learned that there were 42 restaurants that fell into this gap, and all 42 restaurants were invited to participate in the program.

Doing better in 2020 – the 25% list

The restaurant grant was a closed grant program which meant that DOR, using sales information, developed the criteria to invite owners to accept the grant. As we explored the data, DOR expanded eligibility to include any restaurant (and other entertainment industries) with taxable sales up to 25% more in 2020 when compared to 2019. The reason is that while some businesses had higher sales in 2020, these businesses also had higher expenses for their new pandemic business model.

Operational Rule issue

The report discusses a restaurant grant issued to a restaurant that had suffered a fire in the month earlier. The restaurant reported to DOR staff that they intended to reopen notwithstanding the fire. Our criteria written in the MOU with DOA stated that to be eligible, among the other criteria, businesses had to have a sales tax account which was not ceased. In other words, the business had to keep their sales tax account active and current. When we translated that requirement into an attestation by the business, we reworded the criteria to render it more user-friendly. The attestation read, in part, that the business "was open and operating." We decided to award the grant, as the business met the requirement in the MOU for an active sales tax account.

3. Wisconsin Tomorrow Small Business (WT-SB)

According to the report, 71 WT-SB were reviewed in detail. Of those, 10 were randomly selected, and the remainder were selected from a targeted list of problematic grants, provided by DOR where applicants may have answered eligibility questions incorrectly. Of the 71 that were reviewed, LAB determined 20 did not meet the initial eligibility criteria. We consider three from this list to have been eligible based on adjustments to eligibility criteria. The three were businesses that started in 2019, so their 2020 revenue was utilized to qualify for the \$10,000 minimum revenue threshold. DOR acknowledges that the remaining applicants were awarded grants in error and is in the process of recovering those grants.

We note that of the grants that were randomly sampled, 100% of those were found to be eligible according to the initial criteria.

WT SB	Total Grants	LAB Reviewed	LAB finds ineligible	DOR concurs with ineligibility
	60,643	71 (10 random/61 targeted)	20 (from the targeted list)	17

4. Wisconsin Tomorrow Lodging

According to the report, 14 Wisconsin Tomorrow Lodging grants were reviewed in detail. Of those, all were eligible. We believe that because this was a closed program (pre-selected based on tax records), and because it was one of the last grants we were tasked with administering. By then, we learned a tremendous amount about administering grants and were able to apply lessons learned. It was also a much smaller program. Therefore, we agree with your report that no ineligible grants were awarded under the Wisconsin Tomorrow Lodging program.

WT Lodging	Total Grants	LAB Reviewed	LAB finds ineligible	DOR concurs with ineligibility
	968	14 (10 random/4 targeted)	0	0

Methodology Limitations

- 1) LAB's limited scope review only looked at four of our six programs, yet frames DOR's grant administration as two programs when in fact there were four programs with distinct eligibility criteria and administration processes. There are important distinctions in which the grants were administered that are helpful in assessing the program integrity of each grant. The approach adopted by LAB creates a scenario where results are easily comingled across grant programs, and it is difficult to assess the success of each grant program individually. It perhaps would have been more edifying to the reader if each grant was reviewed separately.

DOR-Administered Grant Program	Application	DOR-Administered Grant Program	Application
We're All In – Phase 2	Open	Wisconsin Tomorrow Small Business	Open
We're All In – Restaurants	Closed	Wisconsin Tomorrow Lodging	Closed

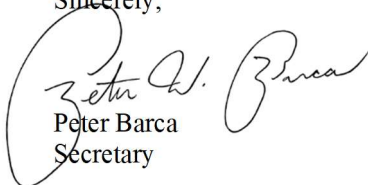
- 2) LAB selected only 10 random grants to review in each program, and the remainder selected from a list of targeted grants that were flagged as potentially having eligibility issues. This created a situation where you had ineligible grants overrepresented in the review. Reminding the reader that the sample was not statistically significant to extrapolate conclusions is helpful, but we remain concerned about people reviewing this report and having misimpressions.

Conclusion

We agree with the recommendations in the report although we reserve the right to use the adjusted criteria for grant awards. We understand why this limited scope review was obliged to use the initial written criteria in the MOUs to review our programs, but we believe the adjustments made were consistent with the intent of the program and the DOA's direction. If improvements are warranted, they are in our documentation of such adjustments, which we will seek to do in the future.

The department will continue its work reviewing the grants and will report to the Joint Legislative Audit Committee on the status of the grant review. Because of space constraints, we created a separate Addendum which has been provided to LAB and is available upon request and will soon be on our website that addresses the points highlighted in your report.

Sincerely,



Peter Barca
Secretary



STATE OF WISCONSIN

Legislative Audit Bureau

Joe Chrisman
State Auditor

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November 29, 2022

Senator Robert Cowles, Co-chairperson
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Cowles:

To help the Joint Legislative Audit Committee evaluate the Department of Revenue's (DOR's) written response to our audit report, we offer several clarifying comments.

First, DOR disagrees with our audit report's conclusion that it made a total of 45 We're All In and Wisconsin Tomorrow program grants to ineligible recipients because it adjusted the eligibility requirements for the grants.

Auditors assess state agency performance based on relevant written criteria, such as statutes, contracts, agreements, and policies. Accordingly, we assessed DOR's administration of the two programs based on the written eligibility criteria established for the programs, including the written supplemental funding agreements signed by DOR and the Department of Administration (DOA). These agreements specified written eligibility requirements that DOR was required to follow when awarding grants with the supplemental federal funds provided by DOA. Such written eligibility requirements make eligibility criteria clear to all, including those small businesses choosing whether to apply for certain grants. Our audit report accurately identified 45 instances when DOR did not award grants in compliance with either the written eligibility requirements specified in these agreements or the additional written eligibility requirements DOR developed.

Second, DOR's written response indicates our review overrepresented grants that we "targeted," based on DOR's information that indicated the businesses may have been ineligible to receive these grants.

Auditors assess how state agencies award grants using a variety of methodologies, including targeted reviews of grants that the available information indicates state agencies may have awarded inappropriately. Accordingly, we chose to focus a portion of our review of 172 grants on areas of identified risk. Given our chosen methodology, our audit report accurately states that it is not appropriate to extrapolate the results of our review to all grants that DOR awarded through the two programs.

We hope these comments help you to assess DOR's written response to our audit report.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joe Chrisman'.

Joe Chrisman
State Auditor

JC/ss