
JOINT ENFORCEMENT TASK FORCE ON PAYROLL FRAUD AND WORKER MISCLASSIFICATION
Virtual Meeting via WebEx

January 28, 2022
9:00 am – 10:30 am

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Agenda

- A. Welcome and Introductions – Amy Pechacek, DWD Secretary-Designee
 - a. Secretary-Designee Pechacek shared that after discussions with the Governor's Office, stakeholders, and members of the taskforce, it has been decided that the Task Force will come to a close.
 - b. Even though the Task Force is technically done, the work continues, and the recommendations remain.
 - c. The work groups will continue to meet and work on efforts towards solving the issue of worker misclassification and payroll fraud.
 - d. The efforts to implement current and previous recommendations will continue.
 - e. Jesus Villa asked about the direction of the activities/outreach of the work groups and committees.
 - i. Those will continue.

- B. Committee Updates
 - a. Outreach and Education Committee – Jesús Villa
 - i. Still waiting on news about the federal funding that would allow expansion of communication and outreach.
 - ii. Continuing to use available resources.
 - 1. Target technical colleges and other programs focused on groups entering the work force and trades.
 - 2. Andy Buck offered his assistance towards this effort.
 - 3. Expand the outreach of this committee to include the issue of labor trafficking.
 - b. Joint Investigations and Enforcement – Maria Guerra Lapacek
 - i. Started conversations of the smaller group, includes DWD, DOJ, and DOR.

1. Designed to "target" specific bad actors that DWD finds to involve DOJ and DOR.
- ii. Goal is to include DOJ and DOR earlier in the process of misclass identification.
- iii. Want to meet quarterly to review these cases.
- iv. Group only involves enforcement agents.
- v. Out of state contractors doing business within Wisconsin and do not file with DFI are sent a letter and this continues.
- vi. Endorsing the DFI work group recommendations.
 1. Would be beneficial to have the individual names of managers/members of LLC.
 2. Would like DFI to collect the FEINs for tax and investigative purposes.
- c. Will there be increased penalties for entities that do not register with DFI?
 - i. This issue comes up quite a bit.
 - ii. No proactive enforcement ability.
 1. Penalties are only assessed if entities who are not in compliance come forward and confess their noncompliance.
 2. Not part of DFI Registration work group's recommendations.
 3. Work group would like to emphasize the current penalty situation to see if that is enough to deter non-compliance.

C. Legislative Updates

- a. DWD Legislative updates
 - i. Representative Sinicki's office is putting forward 4 bills to the Assembly regarding worker misclassification.
 - ii. Bill #1: Requires construction contractors to be registered by DSPS and receive a fine if not.
 - iii. Bill #2: Authorize 3 full time auditors at DWD for worker misclassification efforts.
 - iv. Bill #3: WC Insurers have to refer cases to the DA if they have any evidence of employers they are insuring are committing worker misclassification.
 - v. Bill #4: Outreach and education efforts of employers, employees, and the public. Create and make available posting for employers.
 - vi. Will circulate the bills in the assembly for co-sponsorship.
 1. Rep. Sinicki's is not confident in the fate of these bills.
 - vii. Will try to get drafts in the Senate as well.
 - viii. Look into support from DWD (WC and UI) advisory councils.
 - ix. Timeline
 1. Don't have a lot of time, may go through mid-March.
 2. Want to get introduced to committee.
- b. Other Legislative updates

D. Discussion items

- a. Review public comments
 - i. Written letter from Barbara Santiago of Fond Du Lac. Comment included in annual report.
- b. Annual Report
 - i. OCI provided updates and final report will include those changes.
 - ii. Addition of summary for projections being lower than previous year (DOR and UI).
 - iii. Addition of inclusion of labor trafficking education/outreach to Outreach Committee.
- c. Next meeting
 - i. Thursday, February 17, 2022, at 10:00 AM – 12:00 PM.

E. Recommendations

Adjourn

For press inquiries including interview requests, please contact the DWD Communications Office via email at CommunicationsOffice@dwd.wisconsin.gov