



Tony Evers

Office of the Governor | State of Wisconsin

February 24, 2026

President Donald J. Trump
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

I write to call your attention to my administration's unemployment insurance fraud prevention effort in Wisconsin, which was a national success story for detecting and preventing fraud when your administration last year terminated modernization grants, which were for the congressionally mandated purpose of detecting and preventing unemployment insurance fraud, among other goals. After repeated attempts to urge the U.S. Department of Labor (U.S. DOL) to reconsider this decision have largely gone ignored, Mr. President, I write to you with an urgent request to direct the U.S. DOL to restore the funding Wisconsin needs to continue our important work preventing fraud, waste, and abuse in our unemployment insurance system.

To be sure, Wisconsin and my administration take preventing waste, abuse, and fraud in unemployment and using taxpayer dollars very seriously. Indeed, as I explain below, for example, after my administration began our unemployment modernization effort to overhaul our antiquated system, Wisconsin's unemployment insurance program was audited nine times over the course of three years and had zero identified instances of previously undiscovered fraud within the program.

Yet, despite this success, your administration on May 22, 2025, terminated \$29 million of Wisconsin's unemployment insurance modernization grants that were being used to efficiently and effectively reduce fraud and ensure correct payment of benefits. Notably, Wisconsin was informed that, apparently, those grants no longer effectuate the priorities of the U.S. DOL.

In June, my administration urged the U.S. DOL to reconsider your administration's decision to terminate those grants so that our state's unemployment insurance program could continue its fraud prevention and other modernization projects. We also specifically explained to the U.S. DOL that terminating this funding would seriously hurt efforts to identify and combat fraud in Wisconsin. Nevertheless, once again, in July 2025, the U.S. DOL declined to reinstate the grants. And, once again, Wisconsin was told that the grants to prevent insurance fraud no longer effectuate the U.S. DOL's priorities for grant funding.

Mr. President, this decision by the U.S. DOL continues to be a disappointing position, most especially as it seems to be in direct conflict with your efforts to help prevent fraud, waste, and abuse. The White House just recently, for example, announced the creation of a new division for national fraud enforcement.

Following that denial by the U.S. DOL, in August, I myself wrote to the Secretary of Labor, urging the secretary to reverse the decision to terminate these grants because the state would be unable to complete its unemployment insurance modernization, which is designed to use innovative tools to help prevent benefit fraud and abuse. More specifically, I called for the U.S. DOL's "immediate attention and action to not only prevent years of sustained progress from being reversed but to help ensure Wisconsin retains our ability to successfully and effectively prevent benefit fraud, waste, and abuse."

To date, I have received no formal decision from the U.S. DOL on my request to reconsider this grant termination, nor has the U.S. DOL issued any new grants for the states to achieve the purported objective of modernizing systems to reduce fraud.

In 2022, the U.S. Government Accountability Office had [reported](#) to Congress that unemployment insurance fraud had “greatly increased” during the pandemic, and [noted separately](#) that American Rescue Plan Act (ARPA) funding approved by Congress was being used by many states “for initiatives including fraud prevention, detection, investigation, and recovery.” Using ARPA funding for initiatives to increase fraud prevention and detection was certainly the case in Wisconsin, which has been a national leader in our efforts since the pandemic to modernize our unemployment insurance program and has been hailed by national organizations as a model for improving service and program integrity.

To understand how critical this investment is to our state, it is important to understand the context under which our modernization project under my administration began. Wisconsin’s efforts to modernize our unemployment insurance system began during the COVID-19 pandemic, when decades of inaction by previous administrations and lawmakers were brought to bear. As you may recall, the COVID-19 pandemic made a nationwide impact during your first term in office, and early stages of the pandemic in Wisconsin saw state unemployment rates rise from 3.5 percent in February 2020 to 14.8 percent just two months later. Over the course of four years from 2016 through 2019, Wisconsin handled 7.2 million claims. In just the first nine months of 2020, the state processed nearly 8.8 million claims. This massive influx of claims overwhelmed and backlogged Wisconsin’s aging unemployment insurance systems, which relied on legacy infrastructure dating to the 1970s.

The fact of the matter is that previous administrations and more than a decade’s worth of legislators knew Wisconsin’s unemployment system was outdated and could not handle an economic crisis like the one precipitated by the pandemic, but they never took the time to fix it. I could not—and would not—allow that trend to continue. So, my administration got to work.

After taking action to clear the backlog, I called a special session of the Wisconsin State Legislature and ultimately signed 2021 Wisconsin Act 4, which began the process of modernizing these critical systems to prevent a future economic emergency from causing a similar crisis. Wisconsin began fixing our archaic UI system while finding and using innovative, first-of-their-kind solutions to help reduce benefit fraud and abuse. Over the past five years, as [reported quarterly](#), Wisconsin has advanced swiftly and successfully toward this goal, protecting the integrity of the claims processing system with cutting-edge technology while increasing virtual customer service options.

Since undertaking our modernization efforts, Wisconsin’s unemployment insurance program has been audited nine times between the years of 2020 and 2023. All told, the Legislative Audit Bureau was unable to identify any previously undiscovered fraud within the program. However, the U.S. DOL decision to terminate funding halts work on some of the most critical unemployment insurance modernization and anti-fraud prevention projects. The \$29 million in terminated funds included:

- \$11.25 million to create a state-of-the-art web-based and mobile employer portal, including a secure communications infrastructure to reduce improper payments and fraud;
- \$6.3 million to prevent and detect fraud, ensure program integrity, and improve cybersecurity and overpayment collections;
- \$6.8 million to modernize written communication with all UI customers through an agile and efficient systems interface, reducing costs and staff resources; and
- Nearly \$4.5 million to implement identity authentication and identity proofing tools, modernize the application process, enhance automation for case scheduling, and centrally document all interactions on a given claim.

Unemployment insurance is an earned benefit that Wisconsin workers have relied on since the state’s first check was issued in 1936. The loss of federal funding to complete the modernization projects underway hurt Wisconsin’s efforts to combat fraud, serve the public, and reduce burdens to businesses. Despite the setback the funding rescission creates, Wisconsin is committed to improving our system with whatever resources are available. In fact, the accomplishments to date have profoundly impacted the ease of use for Wisconsin’s stakeholders. Wisconsin has added artificial intelligence augmentation to fraud screen tool advancements; fraud detection through LexisNexis and the National Association of State Workforce Agencies’ Integrity Data Hub; secure online messaging with adjudicators; ID proofing, and many other features to improve service and program integrity.

Wisconsin had positioned itself to be one of the strongest-performing unemployment insurance programs in the nation. The state's efforts significantly improve fraud prevention, strengthen communications, enhance claimant resources, and leverage technology to speed up processing, all while consistently exceeding or meeting federal timeliness and quality standards. I want to see that work continue, full steam.

If fighting fraud is truly and earnestly a meaningful commitment of you and your administration, funding for states' unemployment modernization projects must be restored. I ask you to please reverse the Secretary of Labor's decision and restore the funding Wisconsin desperately needs to continue doing our important work preventing fraud, waste, and abuse in our unemployment system.

Respectfully,

A handwritten signature in cursive script that reads "Tony Evers".

Tony Evers
Governor