

Time to End the Scandals at WEDC

Written by GBP Staff

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<http://newiproggressive.com/images/stories/S5/walker-press-s5.jpg>



New questions about a \$500,000 loan granted by Gov. Scott Walker's troubled Wisconsin Economic Development Corporation to a donor follow allegations that nearly \$585 million of the \$975 million in taxpayer assistance provided by WEDC went to companies that had contributed to Walker's campaign.

MADISON - Over the weekend, the [Wisconsin State Journal](#) broke another story about Gov. Scott Walker's troubled Wisconsin Economic Development Corporation (WEDC). This time, it appears that WEDC may have granted at least one loan totaling \$500,000 as a favor to one of the governor's campaign contributors.

The State Journal reported that Gov. Scott Walker's top aides and a powerful lobbyist pressed in 2011 to award a \$500,000 unsecured loan to Building Committee Inc., owned by William Minahan, for a proposed project to retrofit bank and credit union buildings for energy efficiency. The taxpayer-funded loan eventually lost the state half a million dollars, created no jobs and raised questions about where the money went.

This recent revelation follows allegations that nearly \$585 million of the \$975 million in taxpayer assistance provided by WEDC went to companies that had contributed to Governor Walker's campaign either directly or indirectly.

Equally troubling was the recent audit that found that staff at WEDC ignored both WEDC policy and state law while providing taxpayer assistance to companies under questionable circumstances. A number of companies actually outsourced Wisconsin jobs to foreign countries after receiving taxpayer assistance that were supposed to be used to create jobs here in Wisconsin.



Senator **Dave Hansen** (D - Green Bay) has been a consistent critic of the Governor's use of the

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WEDC as the State's primary economic development tool since 2011.

According to Hansen "Recent news stories concerning the approval of a \$500,000 loan from WEDC to a wealthy donor of the Governor serves to confirm what we have been saying for years, that WEDC is a failed model for economic development that is ripe for corruption."

"Unfortunately those of us who said that WEDC was a failed model from the start have seen our prediction come true. After wasting millions of taxpayer dollars amid numerous scandals and changes in staff, it is time to admit that the WEDC model is a failure and scrap it in favor of a more open and transparent model that is truly accountable to the taxpayers," Hansen added.

Short of closing down WEDC the Governor should clean house from top to bottom, put in place stronger methods of accountability that hold all company officers accountable for failing to repay taxpayer loans or create Wisconsin jobs, and close the loopholes that allow taxpayer dollars to be used by companies that outsource Wisconsin jobs.

Or maybe, as Sen. Kathleen Vinehout (D - Alma) [argued recently](#) , we should just go back the a Department of Commerce.

Hansen's conclusion: "With Wisconsin's economy still continuing to lag our neighbors and the nation we can no longer afford the kind of failure that WEDC has become synonymous with."