

\$700,000 WEDC Loan Goes Unpaid According to State Journal Report

Written by GBP Staff

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<http://newiproggressive.com/images/stories/S5/walker-no-jobs-s5.jpg>



Morgan Aircraft hasn't created the 340 jobs it promised by the end of 2015, did not make the promised \$105 million investment and is not expected to repay the loan. Follows \$500,000 unsecured loan to BCI, whose owner, William Minahan, had made the maximum \$10,000 contribution to Walker's 2010 gubernatorial campaign.

MADISON - More than three weeks after an [Wisconsin State Journal](#) investigation revealed a \$500,000 loan improperly awarded to a Scott Walker campaign donor by the scandal plagued Wisconsin Economic Development Corporation (WEDC), a second report has revealed a forgivable taxpayer loan of nearly \$700,000 to a Sheboygan company planning to build a combination helicopter and corporate jet.

Months after Gov. Scott Walker's flagship job-creation agency was formed in 2011, the WEDC gave a forgivable \$686,000 taxpayer loan to the company, even though they had no experience in aircraft manufacturing and underwriters hadn't reviewed the company's finances in years, according to an investigative [report](#) by Dee Hall and Matthew DeFour in the Wisconsin State Journal Sunday.

But Morgan Aircraft hasn't created the 340 jobs it promised by the end of 2015, did not make the promised \$105 million investment and is not expected to repay the loan, they said.

WEDC authorized up to \$1 million in federal funds for the company, to be loaned through the state. In addition to the state loan, Sheboygan County spent \$157,816 on infrastructure for Morgan Aircraft's planned manufacturing facility at the Sheboygan County Memorial Airport.

According to Hall and DeFour, the company, founded by engineer Brian Morgan, promised to produce both a drone for military use and a vertical lift aircraft — known as an Extremely Maneuverable Jet — that it promised would “revolutionize air travel for personal and business uses.”

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But the project never got off the ground. Now the state is poised to go to court to try to get back the \$686,000 loan, plus interest. The current ownership group described Morgan as a “virtual” company with few assets.

The other company that got taxpayer funding without underwriting was Milwaukee-based Building Committee Inc. Last month, the State Journal reported that WEDC gave a \$500,000 unsecured loan to BCI, whose owner, William Minahan, had made the maximum \$10,000 contribution to Walker’s 2010 gubernatorial campaign. The company never repaid the loan.