

WEDC Response is More Walker Misinformation

Written by GBP Staff

Monday, 29 June 2015 10:20 - Last Updated Monday, 29 June 2015 11:04

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



Response demonstrates once again that WEDC and the Governor are more concerned about using misinformation to manage their PR crisis than they are about getting to the bottom of the problems with this agency.

MADISON – Two Democratic members of the Wisconsin Economic Development Corporation (WEDC) Board of Directors are not satisfied with the misleading statements they received last week from spokespeople for Gov. Scott Walker and the WEDC regarding awards that did not receive staff review.

The WEDC, Scott Walker's failed flagship jobs agency, released documents detailing \$124 million worth of taxpayer-funded economic development assistance, more than two dozen awards, made without staff review.

The stunning revelation comes following reports that a troubled company owned by a high dollar donor to Scott Walker received what appeared to be preferential treatment in receiving a \$500,000 loan. And more donors to Walker were among the companies on the list released Friday; the Associated Press [reports](#) that the chief executive of KSC International donated \$8,500 to Walker and that the owners of County Materials have donated a least \$36,000 to Walker.

Equally disturbing is the return on investment for these awards -- just about 34 percent of the jobs expected to be created, or about 2,100 of 6,100 jobs, have actually been created as a result of these awards.

Assembly Minority Leader **Peter Barca** (D-Kenosha) and State Senator **Julie Lassa** (D-Stevens Point) had called for a full investigation at WEDC last weeks and have requested the assistance of Attorney General Brad Schimel in facilitating the release of full records and documentation on any unsecured WEDC loans, WEDC loans issued over concerns of underwriters, or WEDC loans where underwriting documentation is missing or was not

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complete.

Walker's staff and the WEDC responded with a late afternoon news dump and media PR blitz last Friday.



Barca and Lassa issued the following statement in response to the misleading statements from spokespeople for Walker and WEDC regarding awards that did not receive staff review:

"The response of spokespeople for WEDC and the Governor is another attempt to mischaracterize the role of the board in overseeing WEDC programs.

"We were not informed that a formal underwriting process had not been conducted for these awards or any awards that came before the board, and we certainly were not informed of the fact that officials from at least one of the companies had apparently made tens of thousands of dollars in contributions to the Governor's campaign committee.



"The awards the Governor's spokesperson referred to amount to only three of the 27 awards that we recently learned did not receive formal staff underwriting. The three awards we did approve – without any knowledge that they lacked underwriting – were Enterprise Zone designations, the only kind of award that ever received board review at the time. The board only received information in closed session regarding the companies and projects involved, how large the award would be, and how many jobs the company had promised to create or retain.

"Of the other 24 awards WEDC made without staff review, the board received no information at all.

"This kind of response demonstrates once again that WEDC and the Governor are more

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concerned about using misinformation to manage their PR crisis than they are about getting to the bottom of the problems with this agency.

“Instead of again misleading the public, we would rather WEDC and the Governor focus their energies on quickly getting us all the records we requested – including any awards they made over the objections of underwriters, Community Development Block Grant activity under WEDC and now the Department of Administration, and details of loans under \$200,000 that were approved without staff review.”

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WisDems Reporter Melissa Baldauff contributed to this article.