

WEDC Safeguards Against Outsourcing Nonexistent

Written by Citizen Action of Wisconsin, Robert Kraig

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



Citizen Action Open Records request shows 30 day notification system for outsourcing and downsizing established in 2014 has resulted in zero notifications.

STATEWIDE - In response to a series of outsourcing scandals Governor Walker's troubled jobs agency, the Wisconsin Economic Development Corporation (WEDC), adopted in 2014 a 30 day advanced notification policy. This policy is supposed to give state policymakers early warning if a corporation receiving state economic dollars plans to outsource jobs or downsize more jobs than they are paid to create.

An [open records request](#) by Citizen Action of Wisconsin found that despite a series of additional incidents of WEDC funded corporations outsourcing Wisconsin jobs, there are [zero 30 day notifications](#) in WEDC's files.

On September 25, 2014, WEDC adopted the following policy: "For programs in which jobs are an expected outcome, we will include language in our contract to ensure that WEDC receives up to date information on any potential job losses. Specifically under the reporting section, the following will be added: "The Recipient will notify WEDC within 30 days if any net Full-Time Positions in Wisconsin are reduced or if any Full-Time Positions are relocated out of Wisconsin" (Source: Board Minutes, 9-25-16). At the time, Citizen Action of Wisconsin [questioned the effectiveness](#) of this policy.

In response to a [Citizen Action open records request](#) for all of the 30 day notifications filed with WEDC since the adoption of this rule 21 month ago, WEDC Staff Counsel Joshua R. Steiman [responded on June 30](#)

: "In order to comply with your request, I received all award files in which jobs are an expected outcome since September 24, 2014. Our records do not reflect receiving any notification of planned or already implemented reduction in net full-time positions or any full-time positions which have been relocated out of Wisconsin since September 24, 2014." According to the letter from Mr. Steiman, it took 11 hours to complete this review.

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It is very hard to believe that there have been absolutely no WEDC subsidized corporations planning to outsource jobs or downsize over the past 21 months. It is also disturbing that there is no effort to systemize such data. That it takes a WEDC lawyer 11 hours to check each corporate file individually shows that WEDC has no system in place for tracking the outsourcing and downsizing of Wisconsin jobs by corporations receiving public job creation dollars.

In addition, there have been a series of media reports from WKOW TV in Madison and other outlets documenting multiple corporations which have outsourced Wisconsin jobs when receiving WEDC job creation dollars since September of 2014. These corporations include [Eat on Corporation](#)

,
[HyPro](#)
,
[Shopko](#)
, and
[W.W. Grainger](#)
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WEDC may devise some legalistic explanation as to why there have been zero notifications of these decisions to betray Wisconsin workers. But based on stated policy, the public has every right to expect these companies to be held accountable, starting with public notification.

The media reports on outsourcing are based not on WEDC data but on federal claims for Trade Adjustment Assistance (TAA) made by Wisconsin workers displaced due to global trade agreements. These only account for a portion of outsourcing and downsizing in Wisconsin because it is not all directly related to global trade agreements.

“The refusal of Governor Walker’s troubled jobs agency to track corporations taking state job creation dollars while engaged in outsourcing is further evidence that the Wisconsin economy is rigged against workers,” said Robert Kraig, Executive Director of Citizen Action of Wisconsin. “WEDC’s failure to enforce its own rules shows Governor Walker and his appointees have no intention of ever holding outsourcing corporations accountable. It is also further evidence that they actually believe that the goal of state economic development policy is to dole out special benefits to politically-connected CEOs at the expense of Wisconsin workers.”