

Written by Democratic Party of Wisconsin  
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<http://newiprgressive.com/images/stories/S5/unemployment-280h.jpg>



Reed Hall, who was a donor to both Walker's 2010 campaign and his recall campaign, as well as to Republicans like J.B. Van Hollen and Scott Jensen, appears to be politically aligned with Walker. Hall has railed publicly against healthcare reform, and last year spoke at a Central Wisconsin Tea Party rally alongside extremists Kim Simac and Pat Snyder.

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MADISON - Following a lengthy and expensive taxpayer-funded nationwide search for a new leader at his scandal-plagued Wisconsin Economic Development Corporation, Scott Walker announced his Tea Party pick – interim CEO Reed Hall.

Hall, who was a donor to both Walker's 2010 campaign and his recall campaign, as well as to Republicans like J.B. Van Hollen and Scott Jensen, appears to be politically aligned with Scott Walker – Hall is a past board member at Walker's Wisconsin Manufacturers and Commerce, has railed publicly against healthcare reform, and last year spoke at a Central Wisconsin Tea Party rally alongside extremists Kim Simac and Pat Snyder.

Even top Walker administration officials inside WEDC have acknowledged that Walker's chief job agency "needs to do things differently," citing Wisconsin's recent 42nd ranking in jobs growth, trailing states like Alabama and our neighbors in the Midwest, like Michigan and Ohio.

So the failure to find an outside candidate raises a number of questions about why Wisconsin can't find a serious and experienced economic development expert to lead our recovery:

- Are top candidates reluctant to take a job with an agency that has been plagued with scandal and allegations of bid-rigging?
- Are top candidates reluctant to take a job with an agency that has lost track of millions of dollars of taxpayer funds?
- Are top candidates reluctant to take a job working alongside an unqualified 20-something political crony of Scott Walker, who has no business or management experience and has never worked in the private sector?
- Do top candidates fear being tied to Scott Walker's sinking ship as he fails to meet his 250,000 jobs promise?
- Do top candidates fear retaliation if they refuse to promote Scott Walker's political agenda?

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Without question, the never-ending turmoil at the agency responsible for economic development has contributed to Wisconsin's less-than-robust economic recovery and Scott Walker's failure to reach his promise of 250,000 new jobs.

As Walker weighs his 2016 Tea Party presidential options, it's clear that he is poised for a repeat of the failures that marked his tenure in Milwaukee County.

Scott Walker's incompetence and mismanagement at WEDC is remarkably similar to his failure as an economic development executive in Milwaukee County – where he put in charge an unqualified political crony with no business experience, was plagued with criminal corruption, allegations of bid-rigging and pay-to-play schemes, and ultimately left the County in shambles and on the verge of bankruptcy when he left to pursue higher office.

## **Background:**

### **Scott Walker's Former Economic Development Director is in Prison**

Last Tuesday, Scott Walker's closest political associate and former economic development director Tim Russell began serving a prison term for his role in the John Doe criminal corruption probe into Scott Walker's current and former administrations.

Tim Russell, along with his domestic partner, Brian Pierick, recently convicted of contributing to the delinquency of a minor stemming from evidence obtained through the John Doe that indicated Pierick distributed pornographic materials and self-photos to a minor child, also was the owner/operator of Scott Walker's campaign website.

The close relationship between Scott Walker and Tim Russell goes back more than ten years – if not to their days at Marquette University, where Scott Walker got his start in dirty campaign tricks.

Following stints managing then-Gov. Tommy Thompson's Milwaukee office, and a failed run for the state Assembly in 2000, Russell joined Scott Walker's campaign for county executive in the recall movement that brought Walker to power in Milwaukee County in 2002.

As a reward for his work on Walker's campaigns, Russell was appointed to serve as the County's interim director of economic development, where he failed miserably. The County Board refused to confirm him to the position, leading Walker to [shut down the agency](#) at the height of an economic crisis.

Critics of Russell's performance noted that he, like many other Walker appointees, lacked the requisite knowledge and experience to perform the duties required. Further, questions were raised about Russell's reported termination from a previous position at the Wisconsin Housing & Economic Development Authority (WHEDA) for illegal use of a department credit card for his personal use.

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Despite Russell's economic development failure, Walker rewarded him with a new taxpayer-funded position – that of Walker's community relations director.

Russell served as Walker's community relations director until Walker promoted him to serve as the administrator of the division of Housing, where he served throughout Walker's gubernatorial campaign.

### **Scott Walker Failed at Economic Development in Milwaukee County**

Walker has a long track record of failure and mismanagement when it comes to promoting and stimulating economic growth, losing more than 30,000 Milwaukee County jobs in 2009 alone according to the Bureau of Labor Statistics.

Whether deriding the efforts of the M7 economic development organization to foster economic development in Southeastern Wisconsin as akin to putting “lipstick on a pig,” eliminating the county’s Economic & Community Development department in the midst of the 2008 economic collapse, after years of de-funding, proposing the county’s share of federal stimulus money to be used to provide a sales tax holiday, or using a one-time gift of \$2 million meant to create an economic development trust fund to offset his budget deficit, Walker consistently proved incapable of understanding the economic challenges facing Milwaukee County and unable or unwilling to offer solutions of his own.

### **WEDC Bid-Rigging Concerns Involving Ethically-Troubled Scott Walker**

The Milwaukee Journal Sentinel in December reported that \$1 million in taxpayer dollars were directed to a firm just weeks after its director gave \$25,000 in campaign cash to Walker.

Scott Walker is no stranger to bid-rigging concerns and pay-to-play type allegations. Walker's tenure as Milwaukee County Executive was marked by his incompetence and ineffectiveness as a manager, leading to soaring budget deficits, draconian cuts to social services and crumbling infrastructure.

As Wisconsinites learn more about the John Doe criminal corruption probe that has sent Walker's former economic development director to jail and has led to convictions of four other Walker associates for running the county executive's office as an adjunct of Walker's campaign, it's clear that managing Milwaukee County was of little importance to Walker – his first, if not only, priority was the advancement of his political career.

### **Audit Reveals \$19 Million Scott Walker WEDC Scandal**

An independent audit of the scandal-plagued Wisconsin Economic Development Corporation reveals that the quasi-public agency, put in the hands of unqualified Walker political operatives

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and incompetent political hacks, [has lost track of millions of dollars](#) and cannot collect \$19 million in loans.

The Wisconsin State Journal reports that the audit details "serious" problems, including:

- Financial transactions were either not recorded or improperly recorded throughout the year and went undetected by WEDC personnel.
- The necessary procedures were not established to provide controls over loan monitoring.
- Accounting journal entries were unsupported and unapproved, a problem that can lead to intentional improper reporting and potentially used to conceal fraud.
- About 25 percent of all credit card transactions during the year were not approved at the time of the audit.