

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass
Vote:	6 - 0 - 1
Yeas:	Berger, Edwards C., Esquivel, Holvey, Rosenbaum, Schaufler
Nays:	0
Exc.:	Smith P.
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	3/19, 3/23

WHAT THE MEASURE DOES: Extends the disqualification period for an individual who fraudulently received unemployment insurance benefits from 26 to 52 weeks. Allows the Director of the Employment Department to impose a penalty of up to 15 percent of the amount of benefits received through fraud. Provides for collection of penalties. Allows the Director of Employment Department to waive, reduce or compromise penalties in effort to settle accounts and to write off penalties that the director determines are uncollectible. Requires the payment of penalties to be deposited into the Employment Department Special Fraud Control Fund.

ISSUES DISCUSSED:

- Types of fraud which take place
- Process in investigating potential fraud cases
- Whether there is a current penalty for repeat offenders

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: An individual is disqualified from receiving unemployment insurance (UI) benefits if the Employment Department determines that the individual willingly made a false statement or misrepresentation, or willfully failed to report a material fact in order to collect benefits. Currently, the penalties for UI fraud are the individual's disqualification of benefits for a maximum of 26 weeks, served over a three-year period, and paying back the benefits.

SB 196 increases the disqualification cap to a maximum of 52 weeks, plus the option of assessing a penalty of up to 15 percent of the benefits received, to be served over a five-year period.