

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass
Vote:	5 - 0 - 0
Yeas:	Avakian, Beyer, Gordly, Monroe, Prozanski
Nays:	0
Exc.:	0
Prepared By:	Anna Braun, Administrator
Meeting Dates:	1/29

WHAT THE MEASURE DOES: Increases penalties for unemployment insurance fraud from the disqualification of 26 weeks of benefits over three years to the disqualification of 52 weeks of benefits over five years. Assesses a 15 percent penalty on the annual amount of unentitled benefits.

ISSUES DISCUSSED:

- Interest rate on overpayments
- Rate of fraud

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: An individual is disqualified from receiving unemployment insurance benefits if the Director of the Employment Department finds that they have willfully made a false statement or misrepresentation or willfully failed to report a material fact to obtain unemployment insurance benefits. Current penalties for unemployment insurance fraud are that the individuals' benefits are disqualified up to 26 weeks, which can be served over a three year period, and they must repay the money that they received. SB 196 increases the number of penalty weeks to 52 but allows them to be served over a five year period. In addition, the Director may assess a penalty of up to 15 percent of the unentitled annual benefits received. The Employment Department seeks increased penalties in order to provide a deterrent for fraud.