

1 **H. B. 4549**

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3 (By Delegates White, T. Campbell, Varner and Williams)

4 (By request of the Department of Commerce)

5 [Introduced February 15, 2012; referred to the
6 Committee on the Judiciary then Finance.]

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10 A BILL to amend and reenact §21A-10-7 of the Code of West Virginia,
11 1931, as amended, relating to imposing a monetary penalty on
12 unemployment compensation recipients for obtaining benefits
13 through the use of fraudulent statements or actions; and
14 specifying disposition of the penalties collected.

15 *Be it enacted by the Legislature of West Virginia:*

16 That §21A-10-7 of the Code of West Virginia, 1931, as amended,
17 be amended and reenacted to read as follows:

18 **ARTICLE 10. GENERAL PROVISIONS.**

19 **§21A-10-7. False representations; penalties.**

20 (a) A person who makes a false statement or representation
21 knowing it to be false or who knowingly fails to disclose a
22 material fact in order to obtain or attempt to obtain or increase
23 a benefit, either for himself, herself or another, under this

1 chapter, or under an employment security law of any other state or
2 of the federal government for either of which jurisdictions this
3 state is acting as an agent, ~~shall be~~ is guilty of a misdemeanor,
4 and, upon conviction, shall be punished by a fine of not less than
5 \$100 nor more than \$1,000, or by ~~imprisonment~~ confinement in jail
6 for not longer than thirty days, or both, and by full repayment of
7 all benefits ~~so~~ obtained fraudulently. Each false statement or
8 representation, or failure to disclose a material fact, ~~shall~~
9 constitute is a separate offense.

10 (b) After July 1, 2012, a penalty of twenty percent of the
11 amount of the erroneous payment attaches to the amount of the
12 liability to be repaid by the benefit recipient for any payment of
13 benefits determined to be obtained by the recipient's fraudulent
14 statements or actions. The first seventy-five percent of the
15 penalty collected from the benefit recipient shall be deposited in
16 the state's Unemployment Trust Fund with the remaining twenty-five
17 percent of the penalty collected to be deposited in a special
18 administrative account to be used for increased integrity
19 activities to identify and recover erroneous payments of benefits
20 created by fraudulent activities of benefit recipients. Penalty
21 amounts established due to fraudulent activities of benefit
22 recipients may not be used to offset future benefits payable to
23 benefit recipients.

NOTE: The purpose of this bill is to impose a penalty on unemployment compensation recipients for obtaining benefits through the use of fraudulent statements or actions. A portion of the penalty is to be used for increased activities to identify and recover erroneous payments of benefits created by fraudulent activities of benefit recipients.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.