



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-0998/P1
MED:cjs:rs

DOA:.....Kirschbaum, BB0321 - UI Fraud Penalties

FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

EMPLOYMENT

Current law establishes penalties for certain violations under the unemployment insurance (UI) law, including for knowingly making a false statement or representation to obtain any UI benefit payment, for which the penalty is a fine of not less than \$100 nor more than \$500 or imprisonment for not more than 90 days, or both. Current law provides that each such false statement or representation constitutes a separate offense.

This bill instead provides that a person who knowingly makes a false statement or representation to obtain any UI benefit payment: 1) if the value of any benefits obtained does not exceed \$2,500, is subject to a fine not to exceed \$10,000 or imprisonment not to exceed 9 months, or both; 2) if the value of any benefits obtained exceeds \$2,500 but does not exceed \$5,000, is guilty of a Class I felony; 3) if the value of any benefits obtained exceeds \$5,000 but does not exceed \$10,000, is guilty of a Class H felony; or 4) if the value of any benefits obtained exceeds \$10,000, is guilty of a Class G felony.

Separate from the criminal penalties described above, under current law, if a claimant for UI benefits conceals any material fact relating to his or her eligibility for benefits or conceals any of his or her wages or hours worked (act of concealment), the claimant is ineligible for benefits in an amount ranging from two to eight times the claimant's weekly benefit rate, depending on the number of acts of concealment

committed, for each single act of concealment, and is liable for an additional administrative penalty in an amount equal to 15 percent of the benefit payments erroneously paid to the claimant.

This bill raises the administrative penalty described above to an amount equal to 40 percent of the benefit payments erroneously paid to the claimant.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 108.04 (11) (bh) of the statutes is amended to read:

108.04 (11) (bh) In addition to ineligibility for benefits resulting from concealment as provided in par. (be), the department shall assess a penalty against the claimant in an amount equal to ~~15~~ 40 percent of the benefit payments erroneously paid to the claimant as a result of one or more acts of concealment described in pars. (a) and (b).

SECTION 2. 108.24 (1) of the statutes is renumbered 108.24 (1) (a) and amended to read:

108.24 (1) (a) Any person who knowingly makes a false statement or representation to obtain any benefit payment under this chapter, either for himself or herself or for any other person, shall be ~~fined not less than \$100 nor more than \$500 or imprisoned not more than 90 days, or both; and each such false statement or representation constitutes a separate offense. This may be penalized as provided in par. (b).~~ Any penalty imposed under par. (b) is in addition to any penalty imposed under s. 108.04 (11) (bh).

SECTION 3. 108.24 (1) (b) of the statutes is created to read:

108.24 (1) (b) Whoever violates par. (a):

1. If the value of any benefits obtained does not exceed \$2,500, is subject to a fine not to exceed \$10,000 or imprisonment not to exceed 9 months, or both.

2. If the value of any benefits obtained exceeds \$2,500 but does not exceed \$5,000, is guilty of a Class I felony.

3. If the value of any benefits obtained exceeds \$5,000 but does not exceed \$10,000, is guilty of a Class H felony.

4. If the value of any benefits obtained exceeds \$10,000, is guilty of a Class G felony.

SECTION 9351. Initial applicability; Workforce Development.

(1) UNEMPLOYMENT INSURANCE; CRIMINAL PENALTIES FOR BENEFIT FRAUD. The renumbering and amendment of section 108.24 (1) of the statutes and the creation of section 108.24 (1) (b) of the statutes first applies to a violation of section 108.24 (1) (a) of the statutes, as affected by this act, committed on the effective date of this subsection.

(2) UNEMPLOYMENT INSURANCE; ADMINISTRATIVE PENALTIES FOR ACTS OF CONCEALMENT. The treatment of section 108.04 (11) (bh) of the statutes first applies to overpayments established by the department of workforce development on the effective date of this subsection.

SECTION 9451. Effective dates; Workforce Development.

(1) UNEMPLOYMENT INSURANCE; CRIMINAL PENALTIES FOR BENEFIT FRAUD. The renumbering and amendment of section 108.24 (1) of the statutes, the creation of section 108.24 (1) (b) of the statutes, and SECTION 9351 (1) of this act take effect on the first Sunday after publication.

(2) UNEMPLOYMENT INSURANCE; ADMINISTRATIVE PENALTIES FOR ACTS OF CONCEALMENT. The treatment of section 108.04 (11) (bh) of the statutes and SECTION 9351 (2) of this act take effect on the first Sunday after publication.

(END)