

Senate Bill No. 591

(By Senators Kessler (Mr. President), Browning, Palumbo, Klempa,
Plymale and Stollings)

[Introduced February 15, 2012; referred to the Committee on
Labor; and then to the Committee on the Judiciary.]

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

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 10. GENERAL PROVISIONS.

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

(a) A person who makes a false statement or representation
knowing it to be false or who knowingly fails to disclose a
material fact in order to obtain or attempt to obtain or increase

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

11 (b) After July 1, 2012, a penalty of twenty percent of the
12 amount of the erroneous payment attaches to the amount of the
13 liability to be repaid by the benefit recipient for any payment of
14 benefits determined to be obtained by the recipient's fraudulent
15 statements or actions. The first seventy-five percent of the
16 penalty collected from the benefit recipient shall be deposited in
17 the state's Unemployment Trust Fund with the remaining twenty-five
18 percent of the penalty collected to be deposited in a special
19 administrative account to be used for increased integrity
20 activities to identify and recover erroneous payments of benefits
21 created by fraudulent activities of benefit recipients. Penalty
22 amounts established due to fraudulent activities of benefit
23 recipients may not be used to offset future benefits payable to
24 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.