

ASSEMBLY BILL NO. 476—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 25, 2013

Referred to Committee on Ways and Means

SUMMARY—Revises provisions relating to penalties for unemployment insurance fraud. (BDR 53-1164)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to unemployment insurance; revising provisions relating to penalties for unemployment insurance fraud; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law provides that a person commits unemployment insurance fraud if
2 he or she knowingly makes a false statement or representation or knowingly fails to
3 disclose a material fact to obtain or increase any benefit or other payment as
4 unemployment compensation. (NRS 612.445) This bill: (1) provides that, in
5 general, the Administrator of the Employment Security Division of the Department
6 of Employment, Training and Rehabilitation may issue an initial determination
7 finding that a person has committed such fraud at any time within 4 years after the
8 first day of the benefit year in which the person committed the fraud; and (2)
9 revises other provisions concerning the period during which the person is
10 disqualified from receiving further benefits and the amount of the penalties that
11 may be imposed.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 612.445 is hereby amended to read as follows:
2 612.445 1. A person shall not make a false statement or
3 representation, knowing it to be false, or knowingly fail to disclose a
4 material fact in order to obtain or increase any benefit or other
5 payment under this chapter, including, without limitation, by failing
6 to properly report earnings or by filing a claim for benefits using the



1 social security number, name or other personal identifying
2 information of another person. A person who violates the provisions
3 of this subsection commits unemployment insurance fraud.

4 2. When the Administrator finds that a person has committed
5 unemployment insurance fraud pursuant to subsection 1, the person
6 shall repay to the Administrator for deposit in the Fund a sum equal
7 to all of the benefits received by or paid to the person for each week
8 with respect to which the false statement or representation was made
9 or to which the person failed to disclose a material fact in addition to
10 any interest, penalties and costs related to that sum. *Except as*
11 *otherwise provided in subsection 3 of NRS 612.480, the*
12 *Administrator may make an initial determination finding that a*
13 *person has committed unemployment insurance fraud pursuant to*
14 *subsection 1 at any time within 4 years after the first day of the*
15 *benefit year in which the person committed the unemployment*
16 *insurance fraud.*

17 3. Except as otherwise provided in this subsection and
18 subsection 8, the person is disqualified from receiving
19 unemployment compensation benefits under this chapter:

20 (a) For a period beginning with the ~~first week claimed in~~
21 ~~violation of~~ *week in which the Administrator issues a finding that*
22 *the person has committed unemployment insurance fraud*
23 *pursuant to* subsection 1 and ending not more than 52 consecutive
24 weeks after the week in which it is determined that a claim was filed
25 in violation of subsection 1; or

26 (b) Until the sum described in subsection 2, in addition to any
27 interest, penalties or costs related to that sum, is repaid to the
28 Administrator,

29 ➤ whichever is longer. The Administrator shall fix the period of
30 disqualification according to the circumstances in each case.

31 4. It is a violation of subsection 1 for a person to file a claim,
32 or to cause or allow a claim to be filed on his or her behalf, if:

33 (a) The person is incarcerated in the state prison or any county
34 or city jail or detention facility or other correctional facility in this
35 State; and

36 (b) The claim does not expressly disclose his or her
37 incarceration.

38 5. A person who obtains benefits of \$650 or more in violation
39 of subsection 1 shall be punished in the same manner as theft
40 pursuant to subsection 3 or 4 of NRS 205.0835.

41 6. In addition to the repayment of benefits required pursuant to
42 subsection 2, ~~if the amount of benefits which must be repaid is~~
43 ~~greater than \$1,000,]~~ the Administrator ~~may]~~ :

44 (a) *Shall impose a penalty equal to 15 percent, or such greater*
45 *percentage as the Administrator determines is appropriate to*



1 *enhance the integrity of the system of unemployment*
2 *compensation established by this chapter, of the total amount of*
3 *benefits received by the person in violation of subsection 1; and*

4 (b) May impose a penalty equal to not more than:

5 ~~[(a)]~~ (1) If the amount of such benefits is greater than *\$25 but*
6 *not greater than \$1,000, 5 percent;*

7 (2) *If the amount of such benefits is greater than \$1,000 but*
8 *not greater than \$2,500, ~~12.5~~ 10 percent; or*

9 ~~[(b)]~~ (3) If the amount of such benefits is greater than \$2,500,
10 ~~15.0~~ 35 percent,

11 of the total amount of benefits received by the person in violation
12 of subsection 1 or any other provision of this chapter.

13 7. Except as otherwise provided in subsection 8, a person may
14 not pay benefits as required pursuant to subsection 2 by using
15 benefits which would otherwise be due and payable to the person if
16 he or she was not disqualified.

17 8. The Administrator may waive the period of disqualification
18 prescribed in subsection 3 for good cause shown or if the person
19 adheres to a repayment schedule authorized by the Administrator
20 that is designed to fully repay benefits received from an improper
21 claim, in addition to any related interest, penalties and costs, within
22 18 months. If the Administrator waives the period of
23 disqualification pursuant to this subsection, the person may repay
24 benefits as required pursuant to subsection 2 by using any benefits
25 which are due and payable to the person, except that benefits which
26 are due and payable to the person may not be used to repay any
27 related interest, penalties and costs.

28 9. The Administrator may recover any money required to be
29 paid pursuant to this section in accordance with the provisions of
30 NRS 612.365 and may collect interest on any such money in
31 accordance with the provisions of NRS 612.620.

32 **Sec. 2.** This act becomes effective upon passage and approval.

