



General Assembly

February Session, 2002

Raised Bill No. 5577

LCO No. 2002

Referred to Committee on Labor and Public Employees

Introduced by:
(LAB)

AN ACT REQUIRING THE PAYMENT OF INTEREST ON FRAUDULENT UNEMPLOYMENT COMPENSATION OVERPAYMENTS AND ESTABLISHING A LATE FEE FOR CONTRIBUTING EMPLOYERS THAT FILE UNTIMELY UNEMPLOYMENT COMPENSATION RETURNS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 31-273 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2002*):

4 (b) (1) Any person who, by reason of fraud, wilful misrepresentation
5 or wilful nondisclosure by [him] such person or by another of a
6 material fact, has received any sum as benefits under this chapter
7 while any condition for the receipt of benefits imposed by this chapter
8 was not fulfilled in [his] such person's case, or has received a greater
9 amount of benefits than was due [him] such person under this chapter,
10 shall be charged with an overpayment and shall be liable to repay to
11 the administrator for the Unemployment Compensation Fund a sum
12 equal to the amount so overpaid to [him] such person, plus for any
13 determination of an overpayment made on or after July 1, 2002,

14 interest at the rate of one per cent of the amount so overpaid per
15 month. If such person does not make repayment in full of the sum
16 overpaid plus interest, the administrator shall recoup such sum plus
17 interest by offset from such person's unemployment benefits. The
18 deduction from benefits shall be one hundred per cent of the person's
19 weekly benefit entitlement until the full amount of the overpayment
20 plus interest has been recouped. Where such offset is insufficient to
21 recoup the full amount of the overpayment plus interest, the claimant
22 shall repay the remaining amount in accordance with a repayment
23 schedule as determined by the examiner. If the claimant fails to repay
24 according to the schedule, the administrator may recover such
25 overpayment plus interest through a wage execution against the
26 claimant's earnings upon [his] the claimant's return to work in
27 accordance with the provisions of section 52-361a. In addition, the
28 administrator may request the Commissioner of Administrative
29 Services to seek reimbursement for such amount pursuant to section
30 12-742, as amended. The administrator is authorized, eight years after
31 the payment of any benefits described in this subsection, to cancel any
32 claim for such repayment or recoupment which in [his] the
33 administrator's opinion is uncollectible. Effective January 1, 1996, and
34 annually thereafter, the administrator shall report to the joint standing
35 committee of the General Assembly having cognizance of matters
36 relating to finance, revenue and bonding and the joint standing
37 committee of the General Assembly having cognizance of matters
38 relating to labor and public employees, the aggregate number and
39 value of all such claims deemed uncollectible and therefore cancelled
40 during the previous calendar year.

41 (2) Any person who has made a claim for benefits under this
42 chapter and has knowingly made a false statement or representation or
43 has knowingly failed to disclose a material fact in order to obtain
44 benefits or to increase the amount of benefits to which [he] such person
45 may be entitled under this chapter shall forfeit benefits for not less
46 than [two] one nor more than thirty-nine compensable weeks
47 following determination of such offense or offenses, during which

48 weeks [he] such person would otherwise have been eligible to receive
49 benefits. For the purposes of section 31-231b, such person shall be
50 deemed to have received benefits for such forfeited weeks. This
51 penalty shall be in addition to any other applicable penalty under this
52 section and in addition to the liability to repay any moneys so received
53 by such person and shall not be confined to a single benefit year.

54 (3) Any person charged with the fraudulent receipt of benefits or the
55 making of a fraudulent claim, as provided in this subsection, shall be
56 entitled to a hearing before the administrator, or a deputy or
57 representative designated by [him] the administrator. Notice of the
58 time and place of such hearing, and the reasons [therefore] for such
59 hearing, shall be given to the person not less than five days prior to the
60 date appointed for such hearing. The administrator shall determine, on
61 the basis of facts found by [him] the administrator, whether or not a
62 fraudulent act subject to the penalties of this subsection has been
63 committed and, upon such finding, shall fix the penalty for any such
64 offense according to the provisions of this subsection. Any person
65 determined by the administrator to have committed fraud under the
66 provisions of this section shall be liable for repayment to the
67 administrator of the Unemployment Compensation Fund for any
68 benefits determined by the administrator to have been collected
69 fraudulently, as well as any other penalties assessed by the
70 administrator in accordance with the provisions of this subsection.
71 Until such liabilities have been met to the satisfaction of the
72 administrator, such person shall forfeit [his] any right to receive
73 benefits under the provisions of this chapter. Such decision and
74 penalty shall be mailed to such person's last known address and shall
75 be final unless such person files an appeal [within] not later than
76 twenty-one days after notification of such decision. [and penalty was
77 mailed to his last-known address.] If the last day for filing an appeal
78 falls on any day when the offices of the Employment Security Division
79 are not open for business, such last day shall be extended to the next
80 business day. Such appeal shall be heard by a referee in the same
81 manner provided in section 31-242 for an appeal from the decision of

82 an examiner on a claim for benefits. The manner in which such appeals
83 shall be heard and appeals taken therefrom to the board of review and
84 then to the Superior Court, either by the administrator or the claimant,
85 shall be in accordance with the provisions set forth in section 31-249 or
86 31-249b, as the case may be. Any determination of overpayment made
87 under this subsection which becomes final on or after October 1, 1995,
88 may be enforced in the same manner as a judgment of the Superior
89 Court when the claimant fails to pay according to [his] the claimant's
90 repayment schedule. The court may issue execution upon any final
91 determination of overpayment in the same manner as in cases of
92 judgments rendered in the Superior Court; and upon the filing of an
93 application to the court for an execution, the administrator shall send
94 to the clerk of the court a certified copy of such determination.

95 Sec. 2. Subsection (j) of section 31-225a of the general statutes is
96 repealed and the following is substituted in lieu thereof (*Effective July*
97 *1, 2002*):

98 (j) (1) Each employer subject to this chapter shall submit quarterly,
99 on forms supplied by the administrator, a listing of wage information,
100 including the name of each employee receiving wages in employment
101 subject to this chapter, [his] such employee's Social Security account
102 number and the amount of wages paid to [him] such employee during
103 such calendar quarter.

104 (2) Commencing with the first calendar quarter of 1991, each
105 employer subject to this chapter who reports wages for two hundred
106 fifty or more employees receiving wages in employment subject to this
107 chapter, and each person or organization [which] that, as an agent,
108 reports wages for a total of two hundred fifty or more employees
109 receiving wages in employment subject to this chapter on behalf of one
110 or more employers subject to this chapter shall submit quarterly the
111 information required by subdivision (1) of this subsection on magnetic
112 tape, diskette, or other similar electronic means which the
113 administrator may prescribe, in a format prescribed by the

114 administrator, unless such employer or agent demonstrates to the
115 satisfaction of the administrator that it lacks the technological
116 capability to report such information in accordance with this
117 subdivision.

118 (3) Any employer who fails to submit the information required by
119 subdivision (1) of this subsection in a timely manner, as determined by
120 the administrator, shall be liable to the administrator for a late filing
121 fee equal to twenty-five dollars. All fees collected by the administrator
122 under this subdivision shall be deposited into the Employment
123 Security Administration Fund.

This act shall take effect as follows:	
Section 1	<i>July 1, 2002</i>
Sec. 2	<i>July 1, 2002</i>

Statement of Purpose:

To require the payment of interest on fraudulent unemployment compensation benefit overpayments and to impose a filing fee on employers who file untimely unemployment compensation quarterly returns.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]