



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB3366

by Rep. Jil Tracy

#### SYNOPSIS AS INTRODUCED:

820 ILCS 405/901

from Ch. 48, par. 491

820 ILCS 405/902 new

Amends provisions of the Unemployment Insurance Act imposing repayment and ineligibility as penalties for knowingly making a false statement or knowingly failing to disclose a material fact for the purpose of obtaining benefits. Provides that knowingly making a false statement by an individual includes but is not limited to a false statement that he or she has sought work. Provides that knowingly failing to disclose a material fact by an individual includes but is not limited to the fact that he or she voluntarily left work, refused an offer of work, or has been discharged from work and the reason for the discharge. Provides that an individual who thereby obtains any sum as benefits for which he or she is not eligible has committed unemployment insurance fraud. Requires a statement on the Department of Employment Security's website and on specified forms stating that it is a crime to knowingly provide false, incomplete, or misleading information to any party to an unemployment security benefits transaction for the purpose of committing fraud, and describing penalties. Provides that an employer or other person from whom law enforcement or the Department of Employment Security requests information regarding unemployment insurance fraud shall take all reasonable actions to promptly provide the information requested, subject to any legal privilege protecting the information, and shall disclose information when he or she has a reasonable belief that a violation will be, is being, or has been committed, subject to any legal privilege protecting the information.

LRB098 02579 JLS 38233 b

1 AN ACT concerning employment.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Unemployment Insurance Act is amended by  
5 changing Section 901 and by adding Section 902 as follows:

6 (820 ILCS 405/901) (from Ch. 48, par. 491)

7 Sec. 901. Fraud - Repayment - Ineligibility.

8 A. An individual who, for the purpose of obtaining  
9 benefits:~~7~~

10 i. knowingly makes a false statement, including but not  
11 limited to a false statement that he or she has sought  
12 work; or

13 ii. knowingly fails to disclose a material fact,  
14 including but not limited to the fact that he or she  
15 voluntarily left work, refused an offer of work, or has  
16 been discharged from work and the reason for the discharge;

17 and thereby obtains any sum as benefits for which he or she is  
18 not eligible has committed unemployment insurance fraud and:

19 1. A. Shall be required to repay such sum in cash, or  
20 the amount thereof may be recovered or recouped pursuant to  
21 the provisions of Section 900.

22 2. B. Shall be ineligible, except to the extent that  
23 such benefits are subject to recoupment pursuant to this

1 Section, for benefits for the week in which he or she has  
2 been notified of the determination of the claims  
3 adjudicator referred to in Section 702 that he or she has  
4 committed the offense described in the first paragraph and,  
5 thereafter, for 6 weeks (with respect to each of which he  
6 or she would be eligible for benefits but for the  
7 provisions of this paragraph, not including weeks for which  
8 such benefits are subject to recoupment pursuant to this  
9 Section) for the first offense, and for 2 additional weeks  
10 (with respect to each of which he or she would be eligible  
11 for benefits but for the provisions of this paragraph, not  
12 including weeks for which such benefits are subject to  
13 recoupment pursuant to this Section) for each subsequent  
14 offense. For the purposes of this paragraph, a separate  
15 offense shall be deemed to have been committed in each week  
16 for which such an individual has received a sum as benefits  
17 for which he or she was not eligible. No ineligibility  
18 under the provisions of this paragraph shall accrue with  
19 respect to any week beginning after whichever of the  
20 following occurs first:

21 a. ~~(1)~~ 26 weeks (with respect to each of which the  
22 individual would be eligible for benefits but for the  
23 provisions of this paragraph, not including weeks for  
24 which such benefits are subject to recoupment pursuant  
25 to this Section) have elapsed since the date that he or  
26 she is notified of the determination of the claims

1 adjudicator referred to in Section 702 that he or she  
2 has committed the offense described in the first  
3 paragraph, or

4 b. ~~(2)~~ 2 years have elapsed since the date that he  
5 or she is notified of the determination of the claims  
6 adjudicator referred to in Section 702 that he or she  
7 has committed the offense described in the first  
8 paragraph.

9 B. The Department's website and all printed forms provided  
10 and required by an employer or the Department or otherwise  
11 required by law as a condition of payment of benefits shall  
12 contain a statement, permanently affixed to the application or  
13 claim form, that clearly states the following:

14 It is a crime to knowingly provide false, incomplete,  
15 or misleading information to any party to an unemployment  
16 security benefits transaction for the purpose of  
17 committing fraud. Penalties include imprisonment, fines,  
18 and denial of benefits and other sanctions as authorized by  
19 law.

20 The lack of a statement required in this Section does not  
21 constitute a defense in any criminal prosecution under this  
22 Act.

23 (Source: P.A. 91-342, eff. 1-1-00.)

24 (820 ILCS 405/902 new)

25 Sec. 902. Providing information about fraud.

1       A. When any law enforcement official or the Department  
2 requests information from an employer or any other person for  
3 the purpose of detecting, prosecuting, or preventing  
4 unemployment insurance fraud, the employer or other person  
5 shall take all reasonable actions to promptly provide the  
6 information requested, subject to any legal privilege  
7 protecting the information.

8       B. Any employer or other person who has reasonable belief  
9 that an act violating Section 901 will be, is being, or has  
10 been committed shall furnish and disclose any information in  
11 its possession concerning the act to the appropriate law  
12 enforcement official or the Department, subject to any legal  
13 privilege protecting the information.