

1 S.199

2 Introduced by Senators Brock, Clarkson, Ingalls and Terenzini

3 Referred to Committee on

4 Date:

5 Subject: Labor; unemployment insurance; crimes; fraud

6 Statement of purpose of bill as introduced: This bill proposes to establish  
7 criminal penalties for instances of unemployment insurance fraud involving the  
8 use of a false, an altered, or a stolen identity.

9 An act relating to establishing criminal penalties for unemployment  
10 insurance fraud

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 Sec. 1. 13 V.S.A. § 2033 is added to read:

13 § 2033. UNEMPLOYMENT INSURANCE FRAUD; CRIMINAL

14 PENALTIES

15 (a) As used in this section, “benefits” means unemployment insurance  
16 benefits provided pursuant to 21 V.S.A. chapter 9 and related federal benefits  
17 provided through the Vermont Department of Labor.

18 (b) A person commits the crime of unemployment insurance fraud if the  
19 person with intent to defraud obtains or attempts to obtain benefits by using a  
20 false, an altered, or a stolen identity.

1 (c) A person who is convicted of unemployment insurance fraud shall be:

2 (1) required to pay restitution to the Department of Labor equal to the  
3 amount of fraudulently obtained benefits plus any penalties imposed pursuant  
4 to 21 V.S.A. chapter 17, provided that those amounts have not already been  
5 paid to the Department; and

6 (2) fined not more than \$100,000.00 or imprisoned not more than three  
7 years, or both.

8 (d) Each false, altered, or stolen identity used to obtain or attempt to obtain  
9 benefits shall constitute a separate offense.

10 (e)(1) This section shall not be construed to limit or restrict prosecution  
11 under any other applicable law.

12 (2) This section shall not be construed to limit or restrict the  
13 Commissioner of Labor from recovering any amount of overpaid benefits or  
14 any penalty imposed pursuant to 21 V.S.A. chapter 17, or to impose a period of  
15 disqualification pursuant to the provisions of 21 V.S.A. § 1347(e).

16 Sec. 2. 21 V.S.A. § 1347 is amended to read:

17 § 1347. NONDISCLOSURE OR MISREPRESENTATION

18 \* \* \*

19 (e) In addition to the foregoing, when ~~it is found by~~ the Commissioner  
20 finds that a person intentionally misrepresented or failed to disclose a material  
21 fact with respect to ~~his or her~~ a claim for benefits and ~~in the event~~ the person is

1 not prosecuted under section 1368 of this title and penalty provided in section  
2 1373 of this title is not imposed, the following shall occur:

3 (1) The person shall be disqualified and shall not be entitled to receive  
4 benefits to which ~~he or she~~ the person would otherwise be entitled after the  
5 determination for ~~such number of weeks not exceeding~~ not more than 26  
6 weeks as the Commissioner ~~shall deem~~ deems just. The notice of  
7 determination shall ~~also~~ specify the period of disqualification imposed  
8 hereunder pursuant to this subdivision.

9 (2) If the person has obtained or attempted to obtain benefits under the  
10 provisions of this chapter by using a false, an altered, or a stolen identity, the  
11 Commissioner shall refer the case to the Attorney General or a State's  
12 Attorney for possible prosecution pursuant to 13 V.S.A. § 2033.

13 \* \* \*

14 Sec. 3. EFFECTIVE DATE

15 This act shall take effect on July 1, 2022.