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deferred 2-24-84 (p. 507)
On Bus. + Labor Relations

SENATE FILE 227
BY COMMITTEE ON BUSINESS
AND LABOR RELATIONS

(SUCCESSOR TO SSB 211)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to obtaining workers' compensation benefits
2 through fraudulent practices and providing criminal penalties
3 and civil remedies.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 227

1 Section 1. NEW SECTION. 85.72 OFFENSES.

2 1. An employee who makes a false statement or represen-
3 tation knowing it to be false or knowingly fails to disclose a
4 material fact, to obtain or increase any benefit or other
5 payment under this chapter, either for the employee or for any
6 other employee, is guilty of a fraudulent practice as defined
7 in sections 714.8 through 714.14. The total amount of
8 benefits or payments involved in the completion of or in the
9 attempt to complete a fraudulent practice shall be used in
10 determining the value involved under section 714.14.

11 2. An employer, officer, or agent of an employer unit,
12 physician, or any other person who makes a false statement or
13 representation knowing it to be false, or who knowingly fails
14 to disclose a material fact, to obtain or increase the payment
15 of benefits to an employee not entitled to the payment, or to
16 deny or decrease the payment of benefits to an employee
17 entitled to the payment, is guilty of a fraudulent practice as
18 defined in sections 714.8 through 714.14. The total amount of
19 benefits, contributions, or payments involved in the
20 completion of or in the attempt to complete a fraudulent
21 practice shall be used in determining the value involved under
22 section 714.14.

23 3. A person who willfully violates a provision of this
24 chapter or a rule adopted pursuant to this chapter for which a
25 penalty is not prescribed is guilty of a simple misdemeanor,
26 and each day the violation continues shall be deemed to be a
27 separate offense.

28 4. An employee who, by reason of the nondisclosure or
29 misrepresentation by the employee or by another employee of a
30 material fact, has received any sum as benefits under this
31 chapter while any conditions for the receipt of benefits
32 imposed by this chapter were not fulfilled in the employee's
33 case, or while the employee was disqualified from receiving
34 benefits, shall, in the discretion of the industrial commis-
35 sioner, either be liable to have the sum deducted from any

1 future benefits payable to the employee under this chapter or
2 shall be liable to repay to the paying entity or entities a
3 sum equal to the amount received by the employee. If the
4 commissioner seeks to recover the amount of the benefits by
5 having the employee pay to the paying entity or entities a sum
6 equal to that amount, the commissioner may file a lien with
7 the county recorder in favor of the paying entity or entities
8 on the employee's property and rights to property, whether
9 real or personal.

10 5. All criminal actions for violations of a provision of
11 this chapter or a rule adopted pursuant to this chapter shall
12 be prosecuted by the county attorney of any county in which
13 the employer has a place of business or the violator resides,
14 or, at the request of the commissioner, shall be prosecuted by
15 the attorney general.

16 EXPLANATION

17 This bill provides that a person who makes false statements
18 in order for an employee to obtain or to be denied workers'
19 compensation benefits is guilty of a fraudulent practice. The
20 bill provides that a willful violation of the workers' com-
21 pensation law or administrative rules is a simple misdemeanor,
22 if no other penalty is prescribed. An employee guilty of
23 misrepresentation will be liable to repay workers'
24 compensation benefits. County attorneys and the attorney
25 general, in the discretion of the industrial commissioner,
26 will have the authority to prosecute violations of the
27 workers' compensation law.

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SENATE FILE 227
FISCAL NOTE

A fiscal note for SENATE FILE 227 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 227 provides that a person who makes false statements in order for an employee to obtain or to be denied workers' compensation benefits is guilty of a fraudulent practice. The Bill provides that a willful violation of the workers' compensation law or administrative rules is a simple misdemeanor, if no other penalty is prescribed. An employee guilty of misrepresentation will be liable to repay workers' compensation benefits. County Attorneys and the Attorney General, at the discretion of the industrial commissioner, will have the authority to prosecute violations of the workers' compensation law.

FISCAL EFFECT: The costs for staff and support in the Industrial Services Division of the Department of Employment Services would be \$138,000 for FY 1990 and \$110,755 for FY 1991. Additionally, some costs of filing liens with county recorders is expected but can not be estimated.

(Source: Department of Employment Services)

(LSB 2200sv. DPW)

FILED MARCH 9, 1989

BY DENNIS PROUTY, FISCAL BUREAU

HULTMAN, CH.
RUNNING
FURNMAN

SSB 211
BUSINESS + LABOR RELATIONS

SENATE FILE 227

BY (PROPOSED COMMITTEE ON
BUSINESS AND LABOR RE-
LATIONS BILL)

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