

FILED MAR 30 1977

SENATE FILE 297

By COMMITTEE ON BUDGET
approved 3/30 (p. 864)

Passed Senate, Date 4-1-77 (p. 874) Passed House, Date 5-20-77 (p. 2576)

Vote: Ayes 46 Nays 1 Vote: Ayes 80 Nays 11

Approved 7/10/77

*Repassed Senate for 3718 (p. 1838)
5-20-77 (p. 1834)
46-4*

A BILL FOR

- 1 An Act appropriating funds for the enforcement of welfare
- 2 fraud laws.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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5 F. 297

1 Section 1. There is appropriated from the general fund
2 of the state for the fiscal year beginning July 1, 1977 and
3 ending June 30, 1978 to the following named agencies, the
4 following amounts or so much as is necessary, to be used for
5 the purposes designated:

6 1977-1978
7 Fiscal Year

8 1. DEPARTMENT OF SOCIAL
9 SERVICES--STATE ADMINISTRATION

10 For salaries, support, main-
11 tenance, and miscellaneous pur-
12 poses to match federal funds on
13 an equal basis for the purposes
14 of enforcing laws relating to
15 welfare fraud in cooperation
16 with the division of criminal
17 investigation and bureau of
18 identification of the depart-
19 ment of public safety..... \$ 66,500

20 2. DEPARTMENT OF PUBLIC
21 SAFETY--DIVISION OF CRIMINAL
22 INVESTIGATION AND BUREAU OF
23 IDENTIFICATION

24 For law enforcement equip-
25 ment required to carry out en-
26 forcement of laws relating to
27 welfare fraud..... \$ 41,500

28 Sec. 2.

29 1. It is the intent of the general assembly that viola-
30 tions of law relating to welfare fraud shall be prosecuted
31 by county attorneys. Area prosecutors of the office of the
32 attorney general shall provide such assistance in prosecu-
33 tion as may be required.

34 2. Funds appropriated by this Act shall be in addition
35 to any other funds appropriated for the purposes provided

1 for in this Act.

2 Sec. 3. All federal grants to and the federal receipts
3 of the agencies appropriated funds under this Act are appro-
4 priated for the purposes set forth in such federal grants
5 or receipts.

6 EXPLANATION

7 This bill provides funds for increased enforcement of
8 welfare fraud laws. The bill provides for the cooperation
9 of the department of social services and the department of
10 public safety in the enforcement of such laws.

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LSB 1534S
sg/rh/8A

H-4339

Amend Senate File 297 as follows:

1. Page 2, by inserting after line 1 the following:

"Sec. 4. Chapter one thousand two hundred forty-five (1245), Acts of the Sixty-sixth General Assembly, 1976 Session, chapter one (1), section one thousand four hundred eight (1408), unnumbered paragraph one (1), is amended to read as follows:

A person who does any of the following acts is guilty of a fraudulent practice. ~~A fraudulent practice is an aggravated misdemeanor.~~

Sec. 5. Chapter one thousand two hundred forty-five (1245), Acts of the Sixty-sixth General Assembly, 1976 Session, chapter one (1), Division fourteen (XIV), is amended by adding the following new sections after section one thousand four hundred eight (1408):

Sec. 1409. NEW SECTION. FRAUDULENT PRACTICE IN THE FIRST DEGREE. Fraudulent practice in the first degree is a fraudulent practice where the amount of money or value of property or services involved exceeds five thousand dollars.

Fraudulent practice in the first degree is a class C felony.

Sec. 1410. NEW SECTION. FRAUDULENT PRACTICE IN THE SECOND DEGREE. Fraudulent practice in the second degree is the following:

1. A fraudulent practice where the amount of money or value of property or services involved exceeds five hundred dollars but does not exceed five thousand dollars.

2. A fraudulent practice where the amount of money or value of property or services involved does not exceed five hundred dollars by one who has been convicted of a fraudulent practice twice before.

Fraudulent practice in the second degree is a class D felony.

Sec. 1411. NEW SECTION. FRAUDULENT PRACTICE IN THE THIRD DEGREE. Fraudulent practice in the third degree is the following:

1. A fraudulent practice where the amount of money or value of property or services involved exceeds one hundred dollars but does not exceed five hundred dollars.

2. A fraudulent practice as set forth in subsections two (2), eight (8), and nine (9) of section one thousand four hundred eight (1408) of this chapter.

3. A fraudulent practice where it is not

possible to determine an amount of money or value
of property and service involved.
Fraudulent practice in the third degree is an
aggravated misdemeanor.

Sec. 1412. NEW SECTION. FRAUDULENT PRACTICE
IN THE FOURTH DEGREE. Fraudulent practice in the
fourth degree is a fraudulent practice where the
amount of money or value of property or services
involved exceeds fifty dollars but does not
exceed one hundred dollars.

Fraudulent practice in the fourth degree is
a serious misdemeanor.

Sec. 1413. NEW SECTION. FRAUDULENT PRACTICE
IN THE FIFTH DEGREE. Fraudulent practice in the
fifth degree is a fraudulent practice where the
amount of money or value of property or services
involved does not exceed fifty dollars.

Fraudulent practice in the fifth degree is
a simple misdemeanor.

Sec. 1414. NEW SECTION. VALUE FOR PURPOSES
OF FRAUDULENT PRACTICES. The value of property
or service is its normal market or exchange value,
if any, within the community at the time the fraud-
ulent practice is committed.

If money or property or service is obtained
by a series of acts from the same person or loca-
tion, or from different persons by a series of
acts which occur in approximately the same loca-
tion or time period so that the fraudulent prac-
tices are attributable to a single scheme, plan,
or conspiracy, such acts may be considered a single
fraudulent practice and the value may be the total
value of all money, property, and service involved.

Sec. 6. Chapter one thousand two hundred
forty-five (1245), Acts to the Sixty-sixth General
Assembly, 1976 Session, chapter four (4), section
two hundred fifty-six (256) amending section two
hundred forty-nine point eleven (249.11), Code
1975, is amended to read as follows:

SEC. 256. Section two hundred forty-nine
point eleven (249.11), Code 1975, is amended to
read as follows:

249.11 FRAUD. Any person who obtains
assistance under this chapter by misrepresentation
or by failure with fraudulent intent to bring forth
all of the facts required of an applicant for
assistance under this chapter, or any person who
shall knowingly make false statements concerning
an applicant's eligibility for assistance under

H-4339

Page 3

1 this chapter, is guilty of a ~~simple-misdemeanor~~
2 fraudulent practice.

3 Sec. 7. Section two hundred forty-nine A
4 point seven (249A.7), Code 1977, is amended to
5 read as follows:

6 249A.7 PENALTY. Any A person who ~~shall-obtain~~
7 obtains assistance or payments for medical
8 assistance under this chapter by misrepresentation
9 or failure, with fraudulent intent, to bring forth
10 all the facts required of an applicant for aid
11 under the provisions of this chapter and any a
12 person who ~~shall~~ knowingly makes false state-
13 ments concerning the applicant's eligibility for
14 aid under this chapter shall be guilty of a
15 ~~misdemeanor-punishable-as-such~~ fraudulent practice.

16 Sec. 8. Sections four (4) through eight (8)
17 of this Act are effective on the date set forth
18 in chapter one thousand two hundred forth-five
19 (1245), Acts of the Sixty-sixth General Assembly,
20 1976 Session, chapter four (4), section five
21 hundred twenty nine (529)."

22 2. By renumbering and correcting internal
23 references.

24 3. Amend the title, line 1, by inserting
25 after the word "Act" the words "relating to
26 fraudulent practices and".

H-4339 FILED *Adopted* BY NEWHARD of Jones
MAY 20, 1977 *5/20 (p. 2576)*

SENATE FILE 297

H-4323

1 Amend Senate File 297 as follows:

2 1. Page 1, by striking lines 14 and 15 and
3 inserting in lieu thereof the words "of enforcing
4 sections two hundred thirty-nine point fourteen
5 (239.14), two hundred forty-nine point eleven (249.11),
6 and two hundred forty-nine A point seven (249A.7)
7 of the Code in cooperation".

8 2. Page 1, lines 26 and 27, by striking the words
9 "relating to welfare fraud" and inserting in lieu
10 thereof the words "as provided for in subsection one
11 (1) of this section".

12 3. Page 1, line 30, by striking the words "welfare
13 fraud" and inserting in lieu thereof the words "aid
14 to dependent children, medical assistance, and
15 supplemental assistance".

16 4. Page 1, line 33, by inserting after the period
17 the words "It is the intent of the general assembly
18 that the first priority for investigation and
19 prosecution for which funds are provided by this Act
20 shall be for fraudulent claims or practices by health
21 care vendors and providers."

22 5. Title page, lines 1 and 2, by striking the
23 words "welfare fraud" and inserting in lieu thereof
24 the words "aid to dependent children, medical
25 assistance, and supplemental assistance".

H-4323 FILED *Adopted 5/20* BY COMMITTEE ON BUDGET
MAY 20, 1977 *(p. 2573)* CUSACK of Scott, Chair

S-3718

Amend Senate File 297 as follows:

1. Page 1, by striking lines 14 and 15 and inserting in lieu thereof the words "of enforcing sections two hundred thirty-nine point fourteen (239.14), two hundred forty-nine point eleven (249.11), and two hundred forty-nine A point seven (249A.7) of the Code in cooperation".

2. Page 1, lines 26 and 27, by striking the words "relating to welfare fraud" and inserting in lieu thereof the words "as provided for in subsection one (1) of this section".

3. Page 1, line 30, by striking the words "welfare fraud" and inserting in lieu thereof the words "aid to dependent children, medical assistance, and supplemental assistance".

4. Page 1, line 33, by inserting after the period the words "It is the intent of the general assembly that the first priority for investigation and prosecution for which funds are provided by this Act shall be for fraudulent claims or practices by health care vendors and providers."

5. Page 2, by inserting after line 1 the following:

"Sec. 4. Chapter one thousand two hundred forty-five (1245), Acts of the Sixty-sixth General Assembly, 1976 Session, chapter one (1), section one thousand four hundred eight (1408), unnumbered paragraph one (1), is amended to read as follows:

A person who does any of the following acts is guilty of a fraudulent practice. ~~A fraudulent practice is an aggravated misdemeanor.~~

Sec. 5. Chapter one thousand two hundred forty-five (1245), Acts of the Sixty-sixth General Assembly, 1976 Session, chapter one (1), Division fourteen (XIV), is amended by adding the following new sections after section one thousand four hundred eight (1408):

Sec. 1409. NEW SECTION. FRAUDULENT PRACTICE IN THE FIRST DEGREE. Fraudulent practice in the first degree is a fraudulent practice where the amount of money or value of property or services involved exceeds five thousand dollars.

Fraudulent practice in the first degree is a class C felony.

Sec. 1410. NEW SECTION. FRAUDULENT PRACTICE IN THE SECOND DEGREE. Fraudulent practice in the second degree is the following:

1. A fraudulent practice where the amount of money or value of property or services involved exceeds five hundred dollars but does not exceed five thousand dollars.

1 2. A fraudulent practice where the amount of
2 money or value of property or services involved
3 does not exceed five hundred dollars by one who
4 has been convicted of a fraudulent practice twice
5 before.

6 Fraudulent practice in the second degree is
7 a class D felony.

8 Sec. 1411. NEW SECTION. FRAUDULENT PRACTICE
9 IN THE THIRD DEGREE. Fraudulent practice in the
10 third degree is the following:

11 1. A fraudulent practice where the amount of
12 money or value of property or services involved
13 exceeds one hundred dollars but does not exceed
14 five hundred dollars.

15 2. A fraudulent practice as set forth in sub-
16 sections two (2), eight (8), and nine (9) of sec-
17 tion one thousand four hundred eight (1408) of this
18 chapter.

19 3. A fraudulent practice where it is not
20 possible to determine an amount of money or value
21 of property and service involved.

22 Fraudulent practice in the third degree is an
23 aggravated misdemeanor.

24 Sec. 1412. NEW SECTION. FRAUDULENT PRACTICE
25 IN THE FOURTH DEGREE. Fraudulent practice in the
26 fourth degree is a fraudulent practice where the
27 amount of money or value of property or services
28 involved exceeds fifty dollars but does not
29 exceed one hundred dollars.

30 Fraudulent practice in the fourth degree is
31 a serious misdemeanor.

32 Sec. 1413. NEW SECTION. FRAUDULENT PRACTICE
33 IN THE FIFTH DEGREE. Fraudulent practice in the
34 fifth degree is a fraudulent practice where the
35 amount of money or value of property or services
36 involved does not exceed fifty dollars.

37 Fraudulent practice in the fifth degree is
38 a simple misdemeanor.

39 Sec. 1414. NEW SECTION. VALUE FOR PURPOSES
40 OF FRAUDULENT PRACTICES. The value of property
41 or service is its normal market or exchange value,
42 if any, within the community at the time the fraud-
43 ulent practice is committed.

44 If money or property or service is obtained
45 by a series of acts from the same person or loca-
46 tion, or from different persons by a series of
47 acts which occur in approximately the same loca-
48 tion or time period so that the fraudulent prac-
49 tices are attributable to a single scheme, plan,
50 or conspiracy, such acts may be considered a single

fraudulent practice and the value may be the total value of all money, property, and service involved.

Sec. 6. Chapter one thousand two hundred forty-five (1245), Acts of the Sixty-sixth General Assembly, 1976 Session, chapter four (4), section two hundred fifty-six (256) amending section two hundred forty-nine point eleven (249.11), Code 1975, is amended to read as follows:

SEC. 256. Section two hundred forty-nine point eleven (249.11), Code 1975, is amended to read as follows:

249.11 FRAUD. Any person who obtains assistance under this chapter by misrepresentation or by failure with fraudulent intent to bring forth all of the facts required of an applicant for assistance under this chapter, or any person who shall knowingly make false statements concerning an applicant's eligibility for assistance under this chapter, is guilty of a ~~simple misdemeanor~~ fraudulent practice.

Sec. 7. Section two hundred forty-nine A point seven (249A.7), Code 1977, is amended to read as follows:

249A.7 PENALTY. Any A person who ~~shall obtain~~ obtains assistance or payments for medical assistance under this chapter by misrepresentation or failure, with fraudulent intent, to bring forth all the facts required of an applicant for aid under the provisions of this chapter and any a person who ~~shall knowingly make~~ makes false statements concerning the applicant's eligibility for aid under this chapter shall be guilty of a ~~misdemeanor, punishable as such~~ fraudulent practice.

Sec. 8. Sections four (4) through eight (8) of item five (5) of this amendment are effective on the date set forth in chapter one thousand two hundred forty-five (1245), Acts of the Sixty-sixth General Assembly, 1976 Session, chapter four (4), section five hundred twenty-nine (529)."

6. By renumbering and correcting internal references.

7. Amend the title, line 1, by inserting after the word "Act" the words "relating to fraudulent practices and".

8. Title page, lines 1 and 2, by striking the words "welfare fraud" and inserting in lieu thereof the words "aid to dependent children, medical assistance, and supplemental assistance".

SENATE FILE 297

AN ACT

RELATING TO FRAUDULENT PRACTICES AND APPROPRIATING FUNDS FOR THE ENFORCEMENT OF AID TO DEPENDENT CHILDREN, MEDICAL ASSISTANCE, AND SUPPLEMENTAL ASSISTANCE LAWS.

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

Section 1. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1977 and ending June 30, 1978 to the following named agencies, the following amounts or so much as is necessary, to be used for the purposes designated:

1977-1978
Fiscal Year

1. DEPARTMENT OF SOCIAL SERVICES--STATE ADMINISTRATION

For salaries, support, maintenance, and miscellaneous purposes to match federal funds on an equal basis for the purposes of enforcing sections two hundred thirty-nine point fourteen (239.14), two hundred forty-nine point eleven (249.11), and two hundred forty-nine A point seven (249A.7) of the Code in cooperation with the division of criminal investigation and bureau of identification of the department of public safety..... \$ 66,500

2. DEPARTMENT OF PUBLIC SAFETY--DIVISION OF CRIMINAL INVESTIGATION AND BUREAU OF

IDENTIFICATION

For law enforcement equipment required to carry out enforcement of laws as provided in subsection one (1) of this section..... \$ 41,500
Sec. 2.

1. It is the intent of the general assembly that violations of law relating to aid to dependent children, medical assistance, and supplemental assistance shall be prosecuted by county attorneys. Area prosecutors of the office of the attorney general shall provide such assistance in prosecution as may be required. It is the intent of the general assembly that the first priority for investigation and prosecution for which funds are provided by this Act shall be for fraudulent claims or practices by health care vendors and providers.

2. Funds appropriated by this Act shall be in addition to any other funds appropriated for the purposes provided for in this Act.

Sec. 3. Chapter one thousand two hundred forty-five (1245), Acts of the Sixty-sixth General Assembly, 1976 Session, chapter one (1), section one thousand four hundred eight (1408), unnumbered paragraph one (1), is amended to read as follows:

A person who does any of the following acts is guilty of a fraudulent practice. ~~A-fraudulent-practice-is-an-aggravated misdemeanor.~~

Sec. 4. Chapter one thousand two hundred forty-five (1245), Acts of the Sixty-sixth General Assembly, 1976 Session, chapter one (1), Division fourteen (XIV), is amended by adding the following new sections after section one thousand four hundred eight (1408):

SEC. 1409. NEW SECTION. FRAUDULENT PRACTICE IN THE FIRST DEGREE. Fraudulent practice in the first degree is a fraudulent practice where the amount of money or value of

property involved exceeds five thousand dollars.

Fraudulent practice in the first degree is a class C felony.

SEC. 1410. NEW SECTION. FRAUDULENT PRACTICE IN THE SECOND DEGREE. Fraudulent practice in the second degree is the following:

1. A fraudulent practice where the amount of money or value of property or services involved exceeds five hundred dollars but does not exceed five thousand dollars.
2. A fraudulent practice where the amount of money or value of property or services involved does not exceed five hundred dollars by one who has been convicted of a fraudulent practice twice before.

Fraudulent practice in the second degree is a class D felony.

SEC. 1411. NEW SECTION. FRAUDULENT PRACTICE IN THE THIRD DEGREE. Fraudulent practice in the third degree is the following:

1. A fraudulent practice where the amount of money or value of property or service involved exceeds one hundred dollars but does not exceed five hundred dollars.
2. A fraudulent practice as set forth in subsections two (2), eight (8), and nine (9) of section one thousand four hundred eight (1408) of this chapter.
3. A fraudulent practice where it is not possible to determine an amount of money or value of property and service involved.

Fraudulent practice in the third degree is an aggravated misdemeanor.

SEC. 1412. NEW SECTION. FRAUDULENT PRACTICE IN THE FOURTH DEGREE. Fraudulent practice in the fourth degree is a fraudulent practice where the amount of money or value of property or services involved exceeds fifty dollars but does not exceed one hundred dollars.

Fraudulent practice in the fourth degree is a serious misdemeanor.

SEC. 1413. NEW SECTION. FRAUDULENT PRACTICE IN THE FIFTH DEGREE. Fraudulent practice in the fifth degree is a fraudulent practice where the amount of money or value of property or services involved does not exceed fifty dollars.

Fraudulent practice in the fifth degree is a simple misdemeanor.

SEC. 1414. NEW SECTION. VALUE FOR PURPOSES OF FRAUDULENT PRACTICES. The value of property or service is its normal market or exchange value, if any, within the community at the time the fraudulent practice is committed.

If money or property or service is obtained by a series of acts from the same person or location, or from different persons by a series of acts which occur in approximately the same location or time period so that the fraudulent practices are attributable to a single scheme, plan, or conspiracy, such acts may be considered as a single fraudulent practice and the value may be the total value of all money, property, and service involved.

Sec. 5. Chapter one thousand two hundred forty-five (1245), Acts of the Sixty-sixth General Assembly, 1976 Session, chapter four (4), section two hundred fifty-six (256), amending section two hundred forty-nine point eleven (249.11), Code 1975, is amended to read as follows:

SEC. 256. Section two hundred forty-nine point eleven (249.11), Code 1975, is amended to read as follows:

249.11 FRAUD. Any person who obtains assistance under this chapter by misrepresentation or by failure with fraudulent intent to bring forth all of the facts required of an applicant for assistance under this chapter, or any person who shall knowingly make false statements concerning an applicant's eligibility for assistance under this chapter, is guilty of a simple-misdemeanor fraudulent practice.

Sec. 6. Section two hundred forty-nine A point seven (249A.7), Code 1977, is amended to read as follows:

249A.7 PENALTY. Any A person who ~~shall-obtain~~ obtains

assistance or payments for medical assistance under this chapter by misrepresentation or failure, with fraudulent intent, to bring forth all the facts required of an applicant for aid under the provisions of this chapter and ~~any~~ a person who ~~shall~~ knowingly ~~make~~ makes false statements concerning the applicant's eligibility for aid under this chapter shall be guilty of a ~~misdemeanor, punishable as such~~ fraudulent practice.

Sec. 7. Sections three (3) through seven (7) of this Act are effective on the date set forth in chapter one thousand two hundred forty-five (1245), Acts of the Sixty-sixth General Assembly, 1976 Session, chapter four (4), section five hundred twenty-nine (529).

Sec. 8. All federal grants to and the federal receipts of the agencies appropriated funds under this Act are appropriated for the purposes set forth in such federal grants or receipts.

ARTHUR A. NEU
President of the Senate

DALE M. COCHRAN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 297, Sixty-seventh General Assembly.

STEVEN C. CROSS
Secretary of the Senate

Approved 7/10, 1977

ROBERT D. RAY
Governor