

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

- DATE:** Thursday, March 15, 2012
- TIME:** 1:30 p.m. or Upon Adjournment
- PLACE:** Room EW05
- MEMBERS:** Chairman Block (Block), Vice Chairman Hartgen, Representative(s) Lake, Trail, Marriott, Thayn, Simpson, Loertscher, Nessel, Ringo, King
- ABSENT/
EXCUSED:** Representative(s) Lake, Simpson, Loertscher
- GUESTS:** **Bob Fick**, Idaho Department of Labor
- Vice Chairman Hartgen** called the meeting to order at 2:40 p.m.
- MOTION:** **Representative Nessel** made a motion to approve the minutes of March 5, 2012.
Motion carried by voice vote.
- S 1369:** **Bob Fick**, Idaho Department of Labor, presented **S 1369**, which amends the State Directory of New Hires Act to add a warning and then a penalty for employers failing to report to the Department the hiring or rehiring of employees. The State Directory of New Hires Act was enacted to prevent welfare, worker's compensation and unemployment insurance fraud. The imposition of a penalty after a warning on employers who fail to comply with the law will encourage compliance and allow the Department to more quickly identify unemployment insurance fraud that occurs when claimants continue to file for unemployment insurance benefits after returning to work. The penalty is \$25 per failure to file with a maximum of \$2,500 per quarter per employer.
- In 2010, the Department of Labor detected 1,776 cases of unemployment insurance benefit fraud where claimants continued to receive benefits after returning to work and the new employer failed to report the new hire to the Department. Since the wage discrepancy was not discovered until the new employer filed its next quarterly unemployment insurance tax report, the Department was unable to stop the payment of benefits at the time of the new hire and claimants fraudulently continued to receive benefits for several months. Mr. Fick said that when times goes by, the amounts paid inappropriately to the individual are greater, and it is then more difficult for the Department to recover the funds.
- A question-and-answer period ensued relative to disposition of fine proceeds, methods of disseminating the new regulations, and measures used to discover fraud.
- MOTION:** **Representative Trail** made a motion to send **S 1639** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Representative Trail** will sponsor the bill on the floor.
- ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:53 p.m.

Representative Hartgen
Vice Chairman

Jeanne Clayton
Secretary