



Senate Finance Hearing Scheduled on UI Integrity June 22nd

The US Senate Finance Committee has scheduled a hearing for Wednesday, June 22nd at 10:00 am on Preserving Integrity, Preventing Overpayments, and Eliminating Fraud in the Unemployment Insurance System. See the link to the hearing at <http://finance.senate.gov/hearings/hearing/?id=d44a4b89-5056-a032-52de-aac93661eac6>

The witnesses scheduled to testify include:

Ms. Jane Oates, M.Ed., Assistant Secretary for Employment and Training, United States Department of Labor, Washington, DC

Ms. Kristen Cox, Executive Director, Utah Department of Workforce Services, Salt Lake City, UT

Mr. Paul Trause, Commissioner, Washington Employment Security Department, Olympia, WA

Mr. Mike Cullen, Managing Director, On Point Technology, Inc., Oak Brook, IL

USDOL Proposal

We expect that Jane Oates will take the opportunity to explain the terms of the “Unemployment Compensation Program Integrity Act of 2011” which was developed by USDOL and is consistent with President Obama’s FY 2012 budget outline. The proposal would:

1. Permit up to 5% of amounts collected in benefit overpayment and contributions collected through investigation and assessment to be used to pay the costs of deterring, detecting, and collecting erroneous payments and addressing misclassification of employees and SUTA dumping;
2. Require a penalty of not less than 15% of the amount of an erroneous payment due to fraud and use the revenue for the purposes described in the first paragraph above;
3. Prohibit a state from relieving charges to an employer account if the agency determines that the payment was made erroneously due to failure of an employer or its agent to respond to an agency request and the employer or agent has established a pattern of failing to respond;
4. Provides new language authorizing states to approve Short-Time Compensation programs;
5. Permits states to use clearing account balances and interest to pay associated banking costs;
6. Requires employers to report re-hires as well as new hires to the National New Hire data base;
7. Expands deduction of amounts from unemployment compensation to include “support obligations” as well as the more restrictive “child support obligations”;
8. Establishes an Advisory Council on Unemployment Compensation to be appointed by the President;
9. Permits states to meet requirements with respect to review of claimant documentation of “tangible evidence” of work search through random audit of a number of claims as prescribed by the Secretary of Labor;
10. Provides specific authority for the Secretary of Labor to carry out the provisions of the Act.