

Act No. 278  
Public Acts of 1993  
Approved by the Governor  
December 22, 1993  
Filed with the Secretary of State  
December 28, 1993

**STATE OF MICHIGAN  
87TH LEGISLATURE  
REGULAR SESSION OF 1993**

Introduced by Reps. DeLange, Murphy and Munsell

# **ENROLLED HOUSE BILL No. 5133**

AN ACT to amend section 54a of Act No. 1 of the Public Acts of the Extra Session of 1936, entitled as amended "An act to protect the welfare of the people of this state through the establishment of an unemployment compensation fund, and to provide for the disbursement thereof; to create certain other funds; to create the Michigan employment security commission, and to prescribe its powers and duties; to provide for the protection of the people of this state from the hazards of unemployment; to levy and provide for contributions from employers; to provide for the collection of such contributions; to enter into reciprocal agreements and to cooperate with agencies of the United States and of other states charged with the administration of any unemployment insurance law; to furnish certain information to certain governmental agencies for use in administering public benefit and child support programs and investigating and prosecuting fraud; to provide for the payment of benefits; to provide for appeals from redeterminations, decisions and notices of assessments; and for referees and a board of review to hear and decide the issues arising from redeterminations, decisions and notices of assessment; to provide for the cooperation of this state and compliance with the provisions of the social security act and the Wagner-Peyser act passed by the Congress of the United States of America; to provide for the establishment and maintenance of free public employment offices; to provide for the transfer of funds; to make appropriations for carrying out the provisions of this act; to prescribe remedies and penalties for the violation of the provisions of this act; and to repeal all acts and parts of acts inconsistent with the provisions of this act," as added by Act No. 5 of the Public Acts of 1991, being section 421.54a of the Michigan Compiled Laws.

*The People of the State of Michigan enact:*

Section 1. Section 54a of Act No. 1 of the Public Acts of the Extra Session of 1936, as added by Act No. 5 of the Public Acts of 1991, being section 421.54a of the Michigan Compiled Laws, is amended to read as follows:

Sec. 54a. (1) Any employing unit or an officer or agent of an employing unit, an employee of the commission, or a third party shall not require an individual, as a condition of employment, to make a false statement or representation knowing it to be false to obtain or increase a benefit or other payment under this act or to avoid or reduce a contribution or other payment required from an employing unit under this act.

(2) If the commission determines that an employing unit or an officer or agent of an employing unit, an employee of the commission, or a third party has violated this section, the commission may recover an amount equal to the amount of benefits or increase in benefits or other payment received or an amount equal to the amount of contributions or other payments from an employing unit avoided or reduced based on the violation of this section plus an amount equal to 3 times that amount but not less than \$5,000.00.

(3) The commission may refer the matter to the prosecuting attorney of the county in which the alleged violation occurred for prosecution. If the commission has not made its own determination under subsection (2), the penalty sought by the prosecutor shall include the amount described in subsection (2) and both a fine of not less than \$5,000.00 and 1 of the following:

(a) Imprisonment for not more than 10 years.

(b) The performance of community service of not more than 10 years but not to exceed 20,800 hours.

(c) A combination of (a) and (b) that does not exceed 10 years.

(4) This section applies to conduct that began before April 1, 1992 but that continued on or after April 1, 1992 and to conduct that began on or after April 1, 1992.

(5) The amount recovered by the commission pursuant to subsection (2) or (3) shall be credited first to the unemployment compensation fund and thereafter amounts recovered that are in excess of the amounts obtained, increased, avoided, or reduced as a result of the violation of this section shall be credited to the penalty and interest account of the contingent fund.

(6) This section shall take effect April 1, 1992.

This act is ordered to take immediate effect.

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Co-Clerk of the House of Representatives.

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Secretary of the Senate.

Approved \_\_\_\_\_

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Governor.