



HOUSE BILL No. 5133

October 14, 1993, Introduced by Reps. DeLange, Murphy and Munsell and referred to the Committee on Labor.

A bill to amend section 54a of Act No. 1 of the Public Acts of the Extra Session of 1936, entitled as amended "Michigan employment security 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:

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

5 Sec. 54a. (1) Any employing unit or an officer or agent of
6 an employing unit, an employee of the commission, or a third
7 party shall not require an individual, as a condition of
8 employment, to make a false statement or representation knowing
9 it to be false to obtain or increase a benefit or other payment

1 under this act or to avoid or reduce a contribution or other
2 payment required from an employing unit under this act.

3 (2) If the commission determines that an employing unit or
4 an officer or agent of an employing unit, an employee of the com¹
5 mission, or a third party has violated this section, the commis-
6 sion may recover an amount equal to the amount of benefits or
7 increase in benefits or other payment received or an amount equa¹
8 to the amount of contributions or other payments from an employ-
9 ing unit avoided or reduced based on the violation of this sec-
10 tion plus an amount equal to 3 times that amount but not less
11 than \$5,000.00.

12 (3) The commission may refer the matter to the prosecuting
13 attorney of the county in which the alleged violation occurred
14 for prosecution. If the commission has not made its own determi-
15 nation under subsection (2), the penalty sought by the prosecuto^r
16 shall include the amount described in subsection (2) and both a
17 fine of not less than \$5,000.00 and 1 of the following:

18 (a) Imprisonment for not more than 10 years.

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

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

23 (4) This section applies to conduct that began before ~~the~~
24 ~~effective date of this section~~ APRIL 1, 1992 but that continued
25 on or after ~~the effective date of this section~~ APRIL 1, 1992
26 and to conduct that began on or after ~~the effective date of this~~
27 ~~section~~ APRIL 1, 1992.

1 (5) ~~Amounts~~ THE AMOUNT recovered by the commission
2 pursuant to ~~this section~~ SUBSECTION (2) OR (3) shall be cred-
3 ited FIRST TO THE UNEMPLOYMENT COMPENSATION FUND AND THEREAFTER
4 AMOUNTS RECOVERED THAT ARE IN EXCESS OF THE AMOUNTS OBTAINED,
5 INCREASED, AVOIDED, OR REDUCED AS A RESULT OF THE VIOLATION OF
6 THIS SECTION SHALL BE CREDITED to the penalty and interest
7 account of the contingent fund. ~~Not less than annually the com-~~
8 ~~mission shall transfer to the unemployment trust fund amounts~~
9 ~~recovered under this section to the extent that the unemployment~~
10 ~~trust fund has not previously been credited for the amount~~
11 ~~obtained as a result of the coercion.~~

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