

1 AN ACT relating to unemployment insurance fraud.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔SECTION 1. KRS 341.990 is amended to read as follows:

- 4 (1) Except as otherwise provided in subsection (11) of this section, any employee of  
5 any state agency who violates any of the provisions of KRS 341.110 to 341.230  
6 shall be guilty of a Class B misdemeanor.
- 7 (2) Any person subpoenaed to appear and testify or produce evidence in an inquiry,  
8 investigation, or hearing conducted under this chapter who fails to obey the  
9 subpoena shall be guilty of a Class B misdemeanor.
- 10 (3) Any subject employer, or officer or agent of a subject employer, who violates  
11 subsection (1) of KRS 341.470 shall be guilty of a Class A misdemeanor.
- 12 (4) Any person who violates subsection (2) of KRS 341.470 shall be guilty of a Class A  
13 misdemeanor.
- 14 (5) Any person who knowingly makes a false statement or representation of a material  
15 fact or knowingly fails to disclose a material fact to the secretary to obtain or  
16 increase any benefit under this chapter or under an employment security law of any  
17 other state, or of the federal government, either for himself or for any other person,  
18 business entity, or organization shall be guilty of a Class A misdemeanor unless the  
19 value of the benefits procured or attempted to be procured is one hundred dollars  
20 (\$100) or more, in which case he shall be guilty of a Class D felony.
- 21 (6) (a) Any person who knowingly makes a false statement or representation, or who  
22 knowingly fails to disclose a material fact to prevent or reduce the payment of  
23 benefits to any worker entitled thereto, or to avoid becoming or remaining  
24 subject to this chapter, or to avoid or reduce any payment required of an  
25 employing unit under this chapter shall be guilty of a Class A misdemeanor  
26 unless the liability avoided or attempted to be avoided is one hundred dollars  
27 (\$100) or more, in which case he shall be guilty of a Class D felony.

1 (b) Any person who willfully fails or refuses to furnish any reports required, or to  
2 produce or permit the inspection or copying of records required in this chapter  
3 shall be guilty of a Class B misdemeanor. Each such false statement,  
4 representation or failure and each day of failure or refusal shall constitute a  
5 separate offense.

6 (7) In any prosecution for the violation of subsection (5) or (6) of this section, it shall  
7 be a defense if the person relied on the advice of an employee or agent of the Office  
8 of Unemployment Insurance, Department of Workforce Investment.

9 (8) Any person who willfully violates any provision of this chapter or any rule or  
10 regulation under it, the violation of which is made unlawful or the observance of  
11 which is required under the terms of this chapter, and for which no specific penalty  
12 is prescribed in this chapter or in any other applicable statute, shall be guilty of a  
13 violation. Each day the violation continues shall constitute a separate offense.

14 (9) In addition to the higher rates imposed under KRS 341.540(7), any person, whether  
15 or not an employing unit, who knowingly advises or assists an employing unit in the  
16 violation or attempted violation of KRS 341.540 or any other provision of this  
17 chapter related to determining the assignment of a contribution rate shall be subject  
18 to a civil monetary penalty of not less than five thousand dollars (\$5,000).

19 (10) Proceeds from all penalties imposed under subsection (9) of this section and KRS  
20 341.540 shall be deposited in the unemployment compensation administration  
21 account and shall be expended solely for the cost of administration of this chapter  
22 consistent with KRS 341.240.

23 (11) Any person who violates the confidentiality provision in KRS 341.190(4) shall be  
24 guilty of a Class A misdemeanor.

25 **(12) Any person who knowingly makes a false statement or representation of a**  
26 **material fact to the secretary to obtain or increase any benefit under this chapter**  
27 **or under any employment security law of any other state, or of the federal**

1 government, either for himself or for any other person related to or arising from  
2 the COVID-19 pandemic shall be guilty of a Class D felony. Notwithstanding any  
3 other provision to the contrary in this chapter, the minimum term of  
4 imprisonment shall be one (1) year, and the person shall not be released on  
5 probation, shock probation, parole, conditional discharge, or any other form of  
6 early release, and shall not be eligible for pretrial diversion or any diversion  
7 agreement. This subsection shall remain in effect until June 30, 2023, and  
8 thereafter until all eligible claims related to a violation of this subsection are  
9 finally adjudicated or resolved, or as otherwise reestablished by the General  
10 Assembly, whichever shall occur last.