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## State by State Comparison of UI Fraud Definitions and Penalties

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### Comparison of UI Fraud Definitions in Other States

While other States recognize various forms of intentional misrepresentation as fraud, most states do not recognize separation fraud<sup>1</sup> and no state recognizes it to the degree that Michigan has under the MIDAS system. This is because parties often have genuine – but competing – understandings of what happened at the time of separation (i.e. firing, misconduct, or voluntary quit). This is what the adjudication process is designed to determine. Under MIDAS, however, coding was used to issue fraud determinations instead of adjudicating these issues in the typical manner to determine whether an individual was eligible for benefits.

### Comparison of UI Fraud Penalties in Other States

| State       | Penalty  | Source   |
|-------------|--|--|
| Alabama     | 15%  | Ala.Code 1975 § 25-4-145                           |
| Alaska      | 50%  | AS § 23.20.390                                     |
| Arizona     | 15%  | A.R.S. § 23-787                                    |
| Arkansas    | 15%  | A.C.A. § 11-10-532                                 |
| California  | 30%  | West's Ann.Cal.Un.Ins.Code § 1375.1                |
| Colorado    | 65%  | C.R.S.A. § 8-81-101                                |
| Connecticut | 50% first offense; 100% thereafter                     | C.G.S.A. § 31-273                                  |
| D.C.        | 15%  | DC ST § 51-119                                     |
| Delaware    | 15%  | 19 Del.C. § 3325                                   |
| Florida     | 15%  | F.S.A. § 443.151                                   |
| Georgia     | 15%  | Ga. Code Ann., § 34-8-255                          |
| Hawaii      | 15%  | HRS §383-44  |
| Idaho       | 25% first offense, 50% second offense, 100% thereafter | K.S.A. 44-719                                      |
| Illinois    | 15%  | 820 Illinois Compiled Statutes Annotated 405/901.1 |
| Indiana     | 25% first offense, 50% second offense, 100% thereafter | Indiana Code Annotated § 22-4-13-1.1               |

<sup>1</sup> Separation fraud occurs when claimants and employers disagree as to how employment ended. For example, a claimant might understand an employer to be firing him when that was not actually the employer's intention. When the parties fill out the benefits questionnaires differently on this issue, MIDAS automatically issues a fraud determination against the claimant.

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|----------------|--|---|
| Iowa           | 15%  | I.C.A. § 96.16                              |
| Kansas         | 25%  | K.S.A. 44-706c                              |
| Kentucky       | 15%  | KRS § 341.415                               |
| Louisiana      | \$25 or 25%, whichever is greater                          | LSA-R.S. 23:1714                            |
| Maine          | 50% for first offense, 75% second offense, 100% thereafter | 26 M.R.S.A. § 1193                          |
| Maryland       | 15%  | MD Code, Labor and Employment, § 8-809      |
| Massachusetts  | 15%  | M.G.L.A. 151A § 69                          |
| Michigan       | 400%   | Mich. Comp. Laws § 421.54(a)(i)             |
| Minnesota      | 40%  | Minnesota Statutes Annotated § 268.18(2)(a) |
| Mississippi    | 20%  | MS ST § 71-5-19                             |
| Missouri       | 25% first offense, 100% thereafter                         | V.A.M.S. 288.380                            |
| Montana        | 50%  | MCA 39-51-3201                              |
| Nebraska       | 15%  | Neb.Rev.St. § 48-663.01                     |
| Nevada         | 15%  | N.R.S. 612.445                              |
| New Hampshire  | 20%  | N.H. Rev. Stat. § 282-A:164                 |
| New Jersey     | 25%  | N.J.S.A. 43:21-16                           |
| New Mexico     | 25%  | N. M. S. A. 1978, § 51-1-38                 |
| New York       | 15% or \$100, whichever is greater                         | N.Y. Lab. Law § 594 (McKinney)              |
| North Carolina | 15%  | N.C.G.S.A. § 96-18                          |
| North Dakota   | 15%  | NDCC, 52-06-33                              |
| Ohio           | 25%  | Ohio Revised Code Annotated § 4141.35(A)(4) |
| Oklahoma       | 25%  | 40 Okl.St.Ann. § 2-613                      |
| Oregon         | 15-30%   | O.R.S. § 657.310                            |
| Pennsylvania   | 15%  | 43 Pennsylvania Statutes Annotated § 871    |
| Rhode Island   | 15%  | RI ST § 28-42-62.1                          |
| South Carolina | 33%  | C.L.S.C. § 41-41-45                         |
| South Dakota   | 50% first offense, 100% thereafter                         | SDCL § 61-6-39                              |
| Tennessee      | 15%  | T. C. A. § 50-7-715                         |
| Texas          | 15%  | V.T.C.A., Labor Code § 214.003              |
| Utah           | 100%   | U.C.A. 1953 § 35A-4-405                     |
| Vermont        | 15%  | 21 V.S.A. § 1347                            |

|               |  |   |
|---------------|--|---|
| Virginia      | 15%  | VA Code Ann. § 60.2-636                       |
| Washington    | 15% first offense, 25% second offense, 50% thereafter                      | RCWA 50.20.070                                |
| West Virginia | 20%  | W. Va. Code, § 21A-10-7                       |
| Wisconsin     | 40%  | Wisconsin Statutes Annotated § 108.04(11)(bh) |
| Wyoming       | 20% plus an additional 5% of unpaid balance at the end of every six months | W.S.1977 § 27-3-409                           |