

# SENATE BILL REPORT

## SB 5122

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As Passed Senate, March 4, 1999

**Title:** An act relating to the statute of limitations for the repayment or recoupment of industrial insurance benefits induced by claimant fraud.

**Brief Description:** Recovering industrial insurance benefits payments.

**Sponsors:** Senators Fairley and Oke; by request of Department of Labor & Industries.

**Brief History:**

**Committee Activity:** Labor & Workforce Development: 1/14/99, 1/26/99 [DP].  
Passed Senate, 3/4/99, 43-0.

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### SENATE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

**Majority Report:** Do pass.

Signed by Senators Fairley, Chair; Franklin, Vice Chair; Hochstatter, Kline, Oke, Wojahn.

**Staff:** Joanne Conrad (786-7472)

**Background:** When a worker obtains industrial insurance payments by fraud, the Department of Labor and Industries must demand or order recovery within one year. However, the investigation and documentation of fraud cases can be complex and time-consuming. It is believed that a three-year recovery period would be more realistic and lead to the recovery of more money.

**Summary of Bill:** The repayment or recoupment of industrial insurance payments induced by fraud must be demanded or ordered within three years of the discovery of the fraud.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** It is not practical to investigate some cases in one year. Extending the time will result in higher collections.

**Testimony Against:** None.

**Testified:** Kathy Willis and John Stanislav, L & I; Cliff Finch, AWB.