

Act No. 5  
Public Acts of 1991  
Approved by the Governor  
March 22, 1991  
Filed with the Secretary of State  
March 22, 1991

**STATE OF MICHIGAN  
86TH LEGISLATURE  
REGULAR SESSION OF 1991**

Introduced by Senators Cherry, Honigman, Dillingham, Geake and Hart

# **ENROLLED SENATE BILL No. 35**

AN ACT to amend 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 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 amended, being sections 421.1 to 421.73 of the Michigan Compiled Laws, by adding section 54a.

*The People of the State of Michigan enact:*

Section 1. Act No. 1 of the Public Acts of the Extra Session of 1936, as amended, being sections 421.1 to 421.73 of the Michigan Compiled Laws, is amended by adding section 54a 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 the effective date of this section but that continued on or after the effective date of this section and to conduct that began on or after the effective date of this section.

(5) Amounts recovered by the commission pursuant to this section shall be credited to the penalty and interest account of the contingent fund. Not less than annually the commission shall transfer to the unemployment trust fund amounts recovered under this section to the extent that the unemployment trust fund has not previously been credited for the amount obtained as a result of the coercion.

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

Section 2. This amendatory act shall not take effect unless all of the following bills of the 86th Legislature are enacted into law:

(a) Senate Bill No. 33.

(b) Senate Bill No. 34.

(c) House Bill No. 4269.

(d) House Bill No. 4270.

(e) House Bill No. 4271.

(f) House Bill No. 4272.

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Secretary of the Senate.

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Clerk of the House of Representatives.

Approved .....

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Governor.