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Nevada Toughens Laws Against Unemployment Fraud

The public should be aware that new laws have been passed that significantly increase penalties against individuals who fraudulently file claims for unemployment benefits, said Cynthia Jones, deputy director for the Nevada Department of Employment, Training & Rehabilitation (DETR) and Employment Security Division administrator.

“Earlier this year Nevada Legislature passed Assembly Bill 84 implementing a number of substantial changes to how Nevada both addresses unemployment fraud, as well as how it reclaims benefits from those who fraudulently received them,” Jones said. “As a record number of people are now filing for unemployment, it is very important that we make people aware of the importance of accurate reporting. We also want to help people understand the rules about receiving unemployment so they don’t commit fraud inadvertently.”

Penalties for fraud range up to 50 percent of the amount the person improperly claimed. Additionally, people who have committed unemployment fraud may be prosecuted for theft. If the amount received is in excess of \$250, this will now be considered a felony under Nevada law. Previously, individuals who made false statements to obtain or increase benefits could be charged with a gross misdemeanor.

“Among common mistakes, individuals don’t always realize that they have to immediately report when they return to work, whether they have received a pay check from that job or not,” Jones said. “Because of this difficult economic climate people are tempted to say whatever necessary in order to receive benefits, however they need to realize that committing fraud could prevent them from qualifying in the future when they may need it again.”

Before the passage of AB84, persons who committed fraud could be disqualified for up to a year. After that time, they would be eligible to file for benefits. Also, they were allowed to use benefits that were due and payable to repay the amount fraudulently

received. The law still disqualifies a person for up to a year. However, the law now provides that if DETR files civil judgment for recovery, before a person can qualify for benefits in the future, he or she must repay the fraudulently received benefits, plus any penalties and interest.

DETR has also been granted the right to assess fees that may be required by the Federal Government to recover fraudulent overpayments from an individual's Federal Income Tax returns.

The designation of fraud is also more clearly defined in the new law. The law cites as fraud

- failing to disclose work and earnings.
- making other false statements in order to receive benefits.
- claiming to have been laid off when in fact the person was terminated for cause or quit the job.
- identity theft.
- filing claims using another person's Social Security Number.
- filing unemployment claims while incarcerated, or allowing another person to file the claims without disclosing the incarceration.



DETR is comprised of the Employment Security Division, Equal Rights Commission, Rehabilitation Division, the Information Development and Processing Division and the Research and Analysis Bureau.

DETR works in partnership with the Nevada JobConnect System to connect businesses and workers.