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Labor- Legislation

257 lose jobless pay in crackdown by state

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A state Labor Department crackdown on unemployment insurance fraud has resulted in 257 men and women being disqualified from benefits for two years, Labor Director Joshua C. Agsalud said yesterday.

The department, which has relied in the past on county prosecutors to take "cheaters" to court, is now concentrating its efforts on the stiffer route of disqualification.

Agsalud noted that when fraud perpetrators are found guilty in the courts, "the typical sentence is a fine of \$200 or so and sometimes a short jail sentence, both of which are usually suspended on condition of restitution."

Even though they are found guilty and fined or sentenced, the jobless pay cheats cannot legally be disqualified from filing for future benefits, Agsalud said.

But if the department penalizes the cheats, as it has done during the past seven months of this year, it not only can disqualify them for two years but also collect improper payments.

It got back \$69,239 thus far, Agsalud said.

By comparison, only 15 persons were convicted for fraud in the courts in the seven-month period and fines of \$1,585 were assessed.

The 15 also were ordered to make restitution of \$18,706 in benefit overpayments, but only \$4,418 had been received as of July 31.

Agsalud said that until judges start handling down stiffer penalties for such frauds, "it really makes more sense to pursue all but the most flagrant cases administratively."

He said the Legislature passed a bill this year amending the law so the state attorney general may prosecute fraud cases instead of relying on county prosecutors.

"While the county prosecutors have a good record of obtaining convictions in unemployment insurance fraud cases, we sought the power to prosecute directly both for greater efficiency and so that we could assign fulltime prosecution responsibility to a single attorney who would thus be able to develop a greater expertise in unemployment insurance law," Agsalud said.

He said he hoped the special attorney handling the fraud cases "will be able to impress judges with the seriousness of unemployment insurance fraud and obtain greater penalties when warranted."

Unemployed workers may collect up to \$134 a week if they meet the standards set by the Labor Department.

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