



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2648

PRINTERS NO. 3201

PRIME SPONSOR: Lawrence

COST / (SAVINGS)

FUND	FY 2021/22	FY 2022/23
General Fund	See fiscal impact	See fiscal impact

SUMMARY: House Bill 2648, printer's number 3201, amends The Administrative Code, in Office of State Inspector General, further providing for powers, purpose, and duties and for criminal charges.

ANALYSIS: This legislation requires the State Inspector General to appoint agents to investigate instances of actual or attempted fraud, theft, abuse, falsification of records, illicit payment and identity theft associated with the unemployment compensation program established under the Unemployment Compensation Law, including supplemental or extended unemployment compensation benefits programs administered by the Department of Labor and Industry. Agents must be appointed within 30 days of the effective date.

Notwithstanding any other provision of law, the State Inspector General shall have the power to investigate and may file criminal charges for a violation of any of the following provisions of Title 18, which are substantially related to the administration of unemployment compensation benefits by the Department of Labor and Industry:

- Section 903 (relating to criminal conspiracy)
- Section 911 (relating to corrupt organizations)
- Section 3922 (relating to theft by deception)
- Section 4120 (relating to identity theft)
- Section 4911 (relating to tampering with public records or information)
- Section 7611 (relating to unlawful use of computer and other computer crimes)

In addition, the State Inspector General shall have the power to investigate and may file criminal charges for violations of Sections 801 and 802 of the Unemployment Compensation Law.

The provisions of this legislation shall expire on December 31, 2026. Enactment of this legislation shall take effect immediately.

FISCAL IMPACT: According to the Office of the State Inspector General, the agency would need to hire up to 60 additional agents, at a cost of approximately \$6 million annually, to comply with the provisions in the bill. Assuming enactment of this legislation results in reduced fraud, or the recovery of fraudulent payments, an indeterminable amount of Commonwealth funds may be saved or recovered.

PREPARED BY: Casey Martin
House Appropriations Committee (R)

DATE: June 21, 2022

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.