

**Fifty-fifth Legislative Assembly, State of North Dakota, begun in the
Capitol in the City of Bismarck, on Monday, the sixth day of January,
one thousand nine hundred and ninety-seven**

HOUSE BILL NO. 1263
(Representative Berg)

AN ACT to amend and reenact sections 65-02-23, 65-02-25, 65-02-26, and 65-05-33 of the North Dakota Century Code, relating to amnesty periods, disclosure of claim and investigative information in workers' compensation fraud cases, and definition of fraudulent activity; and to provide a penalty.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 65-02-23 of the North Dakota Century Code is amended and reenacted as follows:

65-02-23. Workers' compensation fraud unit. The bureau shall establish a workers' compensation fraud unit. The bureau may employ investigators and licensed attorneys, or contract with a private investigator whenever feasible or cost effective, to investigate and review any alleged case of willful misrepresentation of payroll to the bureau by an employer as fraud against the fund by employers, injured workers, or providers of medical or other services, including activities described under section 65-04-14 and to investigate and review any alleged case of willful filing of a false claim or false statement in relation to a claim as defined under section 65-05-33. The unit shall refer a case cases of willful misrepresentation of payroll fraud to the bureau or of willful filing of a false claim or false statement for the imposition of administrative penalties and may refer them to the appropriate authorities for prosecution.

SECTION 2. AMENDMENT. Section 65-02-25 of the North Dakota Century Code is amended and reenacted as follows:

65-02-25. Amnesty for certain claims and accounts. After the workers' compensation fraud unit is established, the bureau may offer, not more than once every twelve months, a period of amnesty to any person who has willfully made a false claim or false statement or who has willfully misrepresented payroll, to allow that person the opportunity to close and repay the false claim, to close and repay the claim for which a false statement has been made, or to pay the appropriate premium and penalty on an account for which payroll was misrepresented. The amnesty period may not exceed sixty days. A person who receives amnesty under this section is immune from criminal prosecution relating to those acts for which amnesty is received.

SECTION 3. AMENDMENT. Section 65-02-26 of the North Dakota Century Code is amended and reenacted as follows:

65-02-26. Nondisclosure of investigative information. Any investigative information gathered pursuant to section 65-02-23 is criminal investigative information and may not be disclosed except as provided in section 44-04-18.7. Notwithstanding sections 65-04-15 and 65-05-32, the fraud unit may provide investigative and claim file information to other fraud investigative and law enforcement entities, and gather investigative and claim file information from them.

SECTION 4. AMENDMENT. Section 65-05-33 of the North Dakota Century Code is amended and reenacted as follows:

65-05-33. Filing false claim or false statements - Penalty.

1. Any A person is guilty of a class A misdemeanor if that person is claiming benefits or payment for services under this title, who willfully and that person:
 - a. Willfully files a false claim or makes a false statement, or.

- b. Willfully misrepresents that person's physical condition, including deceptive conduct which misrepresents that person's physical ability.
 - c. Has a claim for disability benefits that has been accepted by the bureau and willfully fails to notify the bureau as to of:
 - (1) Work or other activities as required under subsection 3 of section 65-05-08;
 - (2) ~~the~~ The receipt of income; from work; or
 - (3) ~~an~~ An increase in income; from employment, after the issuance of an order awarding benefits, in connection with any claim or application under this title is guilty of a class A misdemeanor, but if work.
2. ~~If any of the act is~~ acts in subsection 1 are committed to obtain, or pursuant to a scheme to obtain, more than five hundred dollars in benefits or payment for services, the offense is a class C felony. ~~Provided further that:~~
1. ~~For the purposes of this section, "statement" includes any testimony, claim form, notice, proof of injury, proof of return to work status, bill for services, diagnosis, prescription, hospital or doctor records, x ray, test results, or other evidence of loss, injury, or expense.~~
2. 3. In addition to any other penalties provided by law, the person claiming benefits or payment for services in violation of this section shall reimburse the bureau for any benefits paid based upon the false claim or false statement and, if applicable, under section 65-05-29 and shall forfeit any additional benefits relative to that injury.
4. For purposes of this section, "statement" includes any testimony, claim form, notice, proof of injury, proof of return to work status, bill for services, diagnosis, prescription, hospital or doctor records, x-ray, test results, or other evidence of loss, injury, or expense.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-fifth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1263.

House Vote: Yeas 75 Nays 20 Absent 2

Senate Vote: Yeas 31 Nays 15 Absent 3

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 1997.

Approved at _____ M. on _____, 1997.

Governor

Filed in this office this _____ day of _____, 1997,

at _____ o'clock _____ M.

Secretary of State