

Fifty-fifth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1263

Introduced by

Representative Berg

1 A BILL for an Act to amend and reenact sections 65-02-23, 65-02-25, 65-02-26, and 65-05-33
2 of the North Dakota Century Code, relating to amnesty periods, disclosure of claim and
3 investigative information in workers' compensation fraud cases, and definition of fraudulent
4 activity; and to provide a penalty.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

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

8 **65-02-23. Workers' compensation fraud unit.** The bureau shall establish a workers'
9 compensation fraud unit. The bureau may employ investigators and licensed attorneys, or
10 contract with a private investigator whenever feasible or cost effective, to investigate and
11 review any alleged case of ~~willful misrepresentation of payroll to the bureau by an employer as~~
12 fraud against the fund by employers, injured workers, or providers of medical or other services,
13 including activities described under section 65-04-14 ~~and to investigate and review any alleged~~
14 ~~case of willful filing of a false claim or false statement in relation to a claim as defined under~~
15 ~~section 65-05-33.~~ The unit shall refer ~~a case~~ cases of ~~willful misrepresentation of payroll fraud~~
16 ~~to the bureau or of willful filing of a false claim or false statement~~ for the imposition of
17 administrative penalties and may refer them to the appropriate authorities for prosecution.

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

20 **65-02-25. Amnesty for certain claims and accounts.** After the workers'
21 compensation fraud unit is established, the bureau may offer, not more than once every twelve
22 months, a period of amnesty to any person who has willfully made a false claim or false
23 statement or who has willfully misrepresented payroll, to allow that person the opportunity to
24 close and repay the false claim, to close and repay the claim for which a false statement has

1 been made, or to pay the appropriate premium and penalty on an account for which payroll was
2 misrepresented. The amnesty period may not exceed sixty days. A person who receives
3 amnesty under this section is immune from criminal prosecution relating to those acts for which
4 amnesty is received.

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

7 **65-02-26. Nondisclosure of investigative information.** Any investigative information
8 gathered pursuant to section 65-02-23 is criminal investigative information and may not be
9 disclosed except as provided in section 44-04-18.7. Notwithstanding sections 65-04-15 and
10 65-05-32, the fraud unit may provide investigative and claim file information to other fraud
11 investigative and law enforcement entities, and gather investigative and claim file information
12 from them.

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

15 **65-05-33. Filing false claim or false statements - Penalty.**

16 1. ~~Any~~ A person is guilty of a class A misdemeanor if that person is claiming benefits
17 or payment for services under this title, who willfully ~~and that person:~~

18 a. Willfully files a false claim or makes a false statement, ~~or,~~

19 b. Willfully misrepresents that person's physical condition, including deceptive
20 conduct which misrepresents that person's physical ability.

21 c. Has a claim for disability benefits that has been accepted by the bureau and
22 willfully fails to notify the bureau as to of:

23 (1) Work or other activities as required under subsection 3 of section
24 65-05-08;

25 (2) ~~the~~ The receipt of income; from work; or

26 (3) ~~an~~ An increase in income; from employment, after the issuance of an
27 order awarding benefits, in connection with any claim or application
28 under this title is guilty of a class A misdemeanor, but if work.

29 2. If any of the act is acts in subsection 1 are committed to obtain, or pursuant to a
30 scheme to obtain, more than five hundred dollars in benefits or payment for
31 services, the offense is a class C felony. ~~Provided further that:~~

- 1 4. ~~For the purposes of this section, "statement" includes any testimony, claim form,~~
2 ~~notice, proof of injury, proof of return to work status, bill for services, diagnosis,~~
3 ~~prescription, hospital or doctor records, x-ray, test results, or other evidence of~~
4 ~~loss, injury, or expense.~~
- 5 2. 3. In addition to any other penalties provided by law, the person claiming benefits or
6 payment for services in violation of this section shall reimburse the bureau for any
7 benefits paid based upon the false claim or false statement and, if applicable,
8 under section 65-05-29 and shall forfeit any additional benefits relative to that
9 injury.
- 10 4. For purposes of this section, "statement" includes any testimony, claim form,
11 notice, proof of injury, proof of return to work status, bill for services, diagnosis,
12 prescription, hospital or doctor records, x-ray, test results, or other evidence of
13 loss, injury, or expense.