

## **BILL ANALYSIS**

Senate Research Center  
77R1893 JMM-D

S.B. 444  
By: Fraser  
Business & Commerce  
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As Filed

### **DIGEST AND PURPOSE**

Currently, Texas lacks specific strategies to increase the identification and recovery of unemployment insurance benefit overpayments, while the percentage of fraudulent overpayments identified remains below the national average. As proposed, S.B. 444 would direct the Texas Workforce Commission to conduct a study to determine, to the fullest extent possible, the amount of fraudulent claims in the unemployment insurance system.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 213A, Labor Code, by adding Section 213.010, as follows:

Sec. 213.010. STUDY OF BENEFIT OVERPAYMENTS AND FRAUD. Requires the Texas Workforce Commission (commission) to conduct a study to determine, to the fullest extent possible, the number of fraudulent claims filed and paid under this subtitle. Requires the commission to use the study to establish the most effective fraud detection system. Requires the fraud detection system to incorporate the commission's automated system for filing and paying claims. Requires the commission in developing the study, to use as a model analogous studies performed by other governmental entities that administer benefit programs, including the medical assistance program under Chapter 32 (Medical Assistance Program), Human Resources Code. Requires the commission's study to include thorough research on fraudulent schemes and methods of fraud detection used in other states and an analysis of business and industries most affected by fraud under this subtitle. Requires the commission to report the results of the study to the presiding officer of each house of the legislature not later than January 1, 2003.

SECTION 2. Effective date: upon passage or September 1, 2001.