



# PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (June 2004)**  
(Implements RCW 34.05.310)  
Do **NOT** use for expedited rule making

**Agency:** Employment Security Department

**Subject of possible rule making:** Amend rules relating to penalties for claimants who commit unemployment insurance fraud. Rules identified to date are WAC 192-220-040, *How will the disqualification period and penalty established by RCW 50.20.070 be assessed?*, WAC 192-220-045, *How is the fraud penalty calculated?*, WAC 192-220-050, *Will I receive a decision if a fraud penalty changes a redetermination or appeal of another fraud decision?*, and WAC 192-230-020, *How are cash payments and offsets applied to my overpayment?* The need for additional amendments or new rules may be identified through the rule-making process.

**Statutes authorizing the agency to adopt rules on this subject:** RCW 50.12.010 and RCW 50.12.040

**Reasons why rules on this subject may be needed and what they might accomplish:** This rule-making will implement Sections 1 and 2 of Chapter 189, Laws of 2013 (Senate Bill 5355). The bill provides a fifteen percent penalty for the first occurrence of fraud by a claimant. The bill also requires that fifteen percent of any fraud penalty collected be deposited in the unemployment insurance trust fund. Rules will be amended to include reference to the new fifteen percent fraud penalty, and to determine the order in which penalties based on fraud will be applied to the overpayment.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** The United States Department of Labor (USDOL) reviews the state's administration of the UI program to ensure conformity to federal statutes and regulations. The state has broad flexibility in the implementation of UI laws as long as conformity is maintained. The proposed rules will be shared with USDOL prior to adoption.

**Process for developing new rule (check all that apply):**

Negotiated rule making

Pilot rule making

Agency study

Other (describe) The proposed rules will be shared with stakeholders identified in the rule-making process. We will solicit input from stakeholders and consider all written comments in the development of the final rules.

**How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:**

Interested parties can participate in the development of the rules before publication by contacting:

Juanita Myers, Unemployment Insurance Rules Manager  
Employment Security Department  
P.O. Box 9046  
Olympia, WA 98507-9046  
Fax (360) 902-9799  
Email [jmyers@esd.wa.gov](mailto:jmyers@esd.wa.gov)

Please include your name, organization (if any), mailing address, email address and telephone number.

**DATE**  
06-12-2013

**NAME (TYPE OR PRINT)**  
Dale Peinecke

**SIGNATURE**

**TITLE**  
Commissioner

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FILED

**DATE: June 13, 2013**

**TIME: 11:03 AM**

**WSR 13-13-033**