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HOUSE BILL 2575

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State of Washington

52nd Legislature

1992 Regular Session

By Representatives G. Cole, Fuhrman, Heavey, Jones and Winsley; by request of Department of Labor & Industries

Read first time 01/22/92. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to industrial insurance fraud; amending RCW  
2 51.48.020 and 9A.04.080; adding a new section to chapter 51.48 RCW; and  
3 prescribing penalties.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 51.48.020 and 1987 c 221 s 1 are each amended to read  
6 as follows:

7 ~~((1) Any employer, who misrepresents to the department the amount~~  
8 ~~of his or her payroll upon which the premium under this title is based,~~  
9 ~~shall be liable to the state in ten times the amount of the difference~~  
10 ~~in premiums paid and the amount the employer should have paid and for~~  
11 ~~the reasonable expenses of auditing his or her books and collecting~~  
12 ~~such sums. Such liability may be enforced in the name of the~~  
13 ~~department. If such misrepresentations are made knowingly, an employer~~

1 ~~shall also be guilty of a felony, or gross misdemeanor in accordance~~  
2 ~~with the theft and anticipatory provisions of Title 9A RCW.~~

3 (2)) Any person claiming benefits under this title, who knowingly  
4 gives false information required in any claim or application under this  
5 title shall be guilty of a felony, or gross misdemeanor in accordance  
6 with the theft and anticipatory provisions of Title 9A RCW.

7 NEW SECTION. **Sec. 2.** A new section is added to chapter 51.48 RCW  
8 to read as follows:

9 (1) Any person, including any corporation, who:

10 (a) At any time knowingly falsifies, conceals, or covers up by  
11 trick, scheme, or device, a material fact, in connection with  
12 determining obligation for payment of premiums under this title; or

13 (b) At any time knowingly accepts or causes acceptance of any facts  
14 or assertions that contain a materially false statement or false  
15 representation of a material fact, or knowingly falsifies, conceals, or  
16 covers up by any trick, scheme, or device, a material fact, in  
17 connection with determining obligation for payment of premiums under  
18 this title; or

19 (c) Having knowledge of the occurrence of any event affecting the  
20 initial or continuing determination of obligation for payment of  
21 premiums under this title, conceals or fails to disclose such event  
22 with an intent fraudulently to secure a determination that is for a  
23 lesser amount than is due;

24 is guilty of a class C felony. The fine, if imposed, shall not be in  
25 an amount more than twenty-five thousand dollars, except as authorized  
26 by RCW 9A.20.030.

27 (2) Any person, firm, corporation, partnership, association,  
28 agency, institution, or other legal entity knowingly violating any of  
29 the provisions of subsection (1) of this section shall be liable for

1 the difference in the amount of premiums paid and the amount actually  
2 owed, plus interest on the difference at the rate of one percent each  
3 month for the period from the date upon which payment was made to the  
4 date upon which the actual amount owed was paid to the state. Such  
5 person or other legal entity shall further, in addition to any other  
6 penalties provided by law, be subject to civil penalties. The director  
7 of the department of labor and industries may assess civil penalties in  
8 an amount not to exceed three times the amount of the difference  
9 between the amount of premiums paid and the amount actually owed.

10 (3) A criminal action need not be brought against a person, firm,  
11 corporation, partnership, association, agency, institution, or other  
12 legal entity for that person or legal entity to be civilly liable under  
13 this section.

14 (4) In all proceedings under this section, service, adjudicative  
15 proceedings, and judicial review of such determinations shall be in  
16 accordance with chapter 34.05 RCW, the administrative procedure act.

17 (5) Civil penalties shall be deposited in the general fund upon  
18 their receipt.

19 **Sec. 3.** RCW 9A.04.080 and 1989 c 317 s 3 are each amended to read  
20 as follows:

21 (1) Prosecutions for criminal offenses shall not be commenced after  
22 the periods prescribed in this section.

23 (a) The following offenses may be prosecuted at any time after  
24 their commission:

25 (i) Murder;

26 (ii) Arson if a death results.

27 (b) The following offenses shall not be prosecuted more than ten  
28 years after their commission:

1 (i) Any felony committed by a public officer if the commission is  
2 in connection with the duties of his or her office or constitutes a  
3 breach of his or her public duty or a violation of the oath of office;

4 (ii) Arson if no death results.

5 (c) Violations of the following statutes shall not be prosecuted  
6 more than three years after the victim's eighteenth birthday or more  
7 than seven years after their commission, whichever is later:

8 (i) RCW 9A.44.073, 9A.44.076, 9A.44.083, 9A.44.086, 9A.44.070,  
9 9A.44.080, or 9A.44.100(1)(b); or

10 (ii) If the victim was under the age of fourteen years of age at  
11 the time of the commission of the offense, RCW 9A.44.040, 9A.44.050, or  
12 9A.64.020.

13 (d) The following offenses shall not be prosecuted more than six  
14 years after their commission: Violations of RCW 9A.82.060 or  
15 9A.82.080.

16 (e) The following offenses shall not be prosecuted more than five  
17 years after their commission: Any class C felony under chapter 74.09  
18 RCW or section 2 of this act.

19 (f) Bigamy shall not be prosecuted more than three years after the  
20 time specified in RCW 9A.64.010.

21 (g) No other felony may be prosecuted more than three years after  
22 its commission.

23 (h) No gross misdemeanor may be prosecuted more than two years  
24 after its commission.

25 (i) No misdemeanor may be prosecuted more than one year after its  
26 commission.

27 (2) The periods of limitation prescribed in subsection (1) of this  
28 section do not run during any time when the person charged is not  
29 usually and publicly resident within this state.

1       (3) If, before the end of a period of limitation prescribed in  
2 subsection (1) of this section, an indictment has been found or a  
3 complaint or an information has been filed, and the indictment,  
4 complaint, or information is set aside, then the period of limitation  
5 is extended by a period equal to the length of time from the finding or  
6 filing to the setting aside.