

SENATE, No. 2306

STATE OF NEW JERSEY

INTRODUCED DECEMBER 1, 1997

By Senator CAFIERO

1 AN ACT concerning workers' compensation fraud and supplementing
2 chapter 15 of Title 34 of the Revised Statutes.

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4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

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7 1. a. A person shall be guilty of a crime of the fourth degree if the
8 person willfully and knowingly:

9 (1) Makes, when making a claim for benefits pursuant to
10 R.S.34:15-1 et seq., a false or misleading statement, representation or
11 submission concerning any fact that is material to that claim for the
12 purpose of obtaining the benefits;

13 (2) Makes a false or misleading statement, representation or
14 submission, including a misclassification of employees, or engages in
15 a deceptive leasing practice, for the purpose of evading the full
16 payment of benefits or premiums pursuant to R.S.34:15-1 et seq.; or

17 (3) Coerces, solicits or encourages, or employs or contracts with
18 a person to coerce, solicit or encourage, any individual to make a false
19 or misleading statement, representation or submission concerning any
20 fact that is material to a claim for benefits, or the payment of benefits
21 or premiums, pursuant to R.S.34:15-1 et seq.

22 b. Any person who obtains benefits or evades the payment of
23 benefits or premiums by means of a violation of the provisions of
24 subsection a. of this section shall also be guilty of theft by deception
25 and civilly liable to any person injured by the violation for damages
26 and all reasonable costs and attorney fees of the injured person.

27 c. If a person willfully and knowingly makes, when making a claim
28 for benefits pursuant to R.S.34:15-1 et seq., a false or misleading
29 statement, representation or submission concerning any fact which is
30 material to that claim for the purpose of obtaining the benefits, the
31 division shall order the immediate termination or denial of benefits
32 with respect to that claim and a forfeiture of all rights of compensation
33 or payments sought with respect to the claim.

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35 2. This act shall take effect immediately.

STATEMENT

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The bill makes it a crime of the fourth degree for a person to willfully and knowingly:

1. Make, when making a claim for workers' compensation benefits, a false or misleading statement, representation or submission concerning any fact material to the claim for the purpose of obtaining the benefits;

2. Make a false or misleading statement, representation or submission for the purpose of evading the full payment of workers' compensation benefits or premiums; or

3. Coerce, solicit or encourage, or employ or contract with a person to coerce, solicit or encourage, any individual to make a false or misleading statement, representation or representation concerning any fact that is material to a claim for workers' compensation benefits, or the payment of benefits or premiums.

If the violator actually obtains benefits or evades the payment of benefits or premiums by means of the violation, the violator is also deemed to be guilty of theft by deception and civilly liable to any person injured by the violation for damages and all reasonable costs and attorney fees.

The bill also requires the State Department of Labor to order the immediate termination or denial of benefits with respect to the workers' compensation claim of the violator and a forfeiture of all rights of compensation or payments sought with respect to the claim.

Concerns workers' compensation fraud.