Article - Labor and Employment

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§8–809.

(a) The Secretary may recover benefits paid to a claimant if the Secretary finds that the claimant was not entitled to the benefits because:

(1) the claimant was not unemployed;

(2) the claimant received or retroactively was awarded wages; or

(3) due to a redetermination of an original claim by the Secretary, the claimant is disqualified or otherwise ineligible for benefits.

(b) If the Secretary finds that a claimant knowingly made a false statement or representation or knowingly failed to disclose a material fact to obtain or increase a benefit or other payment under this title, in addition to disqualification of the claimant, the Secretary may recover from the claimant:

(1) all benefits paid to the claimant for each week for which the false statement or representation was made or for which the claimant failed to disclose a material fact;

(2) a monetary penalty of 15% of all benefits paid to the claimant for each week for which the false statement or representation was made or for which the claimant failed to disclose a material fact; and

(3) interest of 1.5% per month on the amount of all benefits paid to the claimant for each week for which the false statement or representation was made or for which the claimant failed to disclose a material fact plus the amount of the monetary penalty accruing from the date that the claimant is notified by the Secretary that the claimant was not entitled to benefits received.

(c) (1) If the Secretary decides to recover benefits from a claimant under subsection (a) or (b) of this section, the Secretary shall notify the claimant of:

(i) the amount to be recovered;

(ii) the basis for the recovery of benefits, including any evidence that the Secretary used to make the determination;

(iii) the weeks for which benefits were paid;

(iv) the amount of any monetary penalty assessed under subsection (b)(2) of this section and the reason for the assessment of the monetary penalty;

(v) the provision of this title under which the Secretary determined that the claimant was ineligible for benefits; and

(vi) the appeal rights available to a claimant.

(2) The Secretary shall allow a claimant to appeal a determination regarding the recovery of benefits within 30 days after the mailing or other delivery of the notice.

(d) (1) If the Secretary is recovering benefits from a claimant under circumstances other than those described in subsection (b) of this section, the Secretary may recover an amount under subsection (a) of this section:

(i) by deduction of:

1. up to 50% of the weekly benefit amount from the weekly benefits payable to the claimant in the future; or

2. if the weekly benefit amount is less than or equal to $100, up to 25% of the weekly benefit from the weekly benefits payable to the claimant in the future;

(ii) in the manner provided in § 8–630 of this title for the collection of past due contributions;

(iii) by assessment in the same manner as provided in § 8–629 of this title for the assessment of past due contributions; or

(iv) through other reasonable means of collection, including those permitted under:

1. State law for the collection of debts owed to the State; or

2. federal law.

(2) (i) If the Secretary seeks to recover an amount under subsection (a) of this section by assessment, the Secretary shall allow a claimant to

elect, within 30 days of the date of the notice of assessment, to have the amount collected by suit instead of by assessment.

(ii) The Secretary shall adopt regulations to provide general guidance about:

1. the processes under which the Secretary may recover benefits; and

2. the application of § 8–629 of this title to the recovery of benefits by assessment under this section.

(e) The Secretary may recover an amount under subsection (b) of this section:

(1) in the manner provided in § 8–630 of this title for the collection of past due contributions;

(2) through other reasonable means of collection, including those permitted under:

(i) State law for the collection of debts owed to the State; or

(ii) federal law; or

(3) if the deduction is made by another jurisdiction under an intergovernmental agreement providing for the recovery of overpaid benefits, by deduction from benefits for which the claimant is eligible in the future under the law of the jurisdiction that made the deduction, excluding the monetary penalty assessed under subsection (b)(2) of this section and interest due under subsection (b)(3) of this section.

(f) (1) The Secretary may reconsider a decision to recover benefits under subsection (a) of this section within 1 year after the date that the decision was made.

(2) The Secretary may not make a determination to recover benefits under subsection (a) or (b) of this section later than 3 years after the date that the benefits were paid to the claimant.

(3) If an amount under subsection (a) or (b) of this section has not been recovered within 5 years after the date of the decision to recover the amount, the Secretary may consider the amount uncollectible.

(4) If the Secretary determines that the best interests of the State will be served, the Secretary may adjust, compromise, or settle interest due under subsection (b) of this section or under § 8–1305 of this title.

(g) Notwithstanding any other provision of this section, the Secretary may recover, under a governmental offset agreement, an overpayment of benefits paid to any claimant under:

(1) the unemployment insurance law of another state; or

(2) a federal unemployment insurance benefit program.

(h) (1) Following the recovery of benefits from a claimant under subsection (a) or (b) of this section, if a claimant notifies the Secretary that the actual amount recovered exceeded the amount stated in the notice provided under subsection (c) of this section, the Secretary shall:

(i) within 30 days after receipt of the notice, investigate the claim; and

(ii) within 14 days after completing the investigation, refund the claimant any difference between the amount stated in the notice provided under subsection (c) of this section and the amount actually recovered.

(2) The Secretary shall submit a monthly report to the General Assembly, in accordance with § 2–1257 of the State Government Article, that includes:

(i) the total number of claims investigated under this subsection;

(ii) the status of each investigation;

(iii) the amount of funds in dispute;

(iv) the legislative district of each claimant who has notified the Department of a discrepancy; and

(v) the date any contested funds were returned.

(3) The Secretary shall adopt regulations to carry out this subsection.

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