
A BILL FOR AN ACT

RELATING TO HUMAN SERVICES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 346, Hawaii Revised Statutes, is
2 amended by adding a new section to part I to be appropriately
3 designated and to read as follows:

4 "§346- Financial assistance; report of fraud; reward.

5 (a) The department shall establish a reward program for
6 individuals who report persons who have committed fraud under
7 section 346-34 or 346-43.5.

8 (b) Any individual who reports the commission of a fraud
9 to the department, the attorney general, or any county
10 prosecutor's office may collect an award under the reward
11 program if the perpetrator of the fraud is convicted under
12 section 346-34 or 346-43.5 and ordered to make restitution to
13 the State; provided that:

14 (1) The award shall be the lesser of:

15 (A) \$2,500; or

16 (B) Ten per cent of the amount ordered as restitution
17 to the State; and



1 (2) Payment of the award shall be made no later than
2 thirty days after restitution sufficient to cover the
3 total amount of the award is paid by the person
4 convicted of the fraud, but no later than five years
5 after the date of conviction, regardless of the amount
6 of restitution paid.

7 (c) The department shall establish rules, pursuant to
8 chapter 91, for purposes of this section."

9 SECTION 2. Section 346-34, Hawaii Revised Statutes, is
10 amended by amending subsection (b) to read as follows:

11 "(b) If, at any time while the recipient of public
12 assistance is receiving public assistance, the recipient's
13 living requirements are reduced and the recipient wilfully fails
14 to report the reduction within thirty days from the date of the
15 reduction to the department, or the recipient acquires from any
16 source real property, funds, income, or other resources and
17 wilfully fails to report the amount acquired together with the
18 source of the resources to the department within thirty days of
19 receipt of the resources, or prior to spending or otherwise
20 disposing of all or any portion of the resources, the recipient
21 shall be guilty of a [~~petty misdemeanor.~~] misdemeanor; provided
22 that:



- 1 (1) If the amount of public assistance fraudulently
- 2 obtained by the recipient exceeds \$300, the person
- 3 shall be guilty of a class C felony; and
- 4 (2) If the amount of public assistance fraudulently
- 5 obtained by the recipient exceeds \$20,000, the person
- 6 shall be guilty of a class B felony."

7 SECTION 3. There is appropriated out of the general
 8 revenues of the State of Hawaii the sum of \$ or so
 9 much thereof as may be necessary for fiscal year 2009-2010 and
 10 the same sum or so much thereof as may be necessary for fiscal
 11 year 2010-2011 for a reward program pursuant to section 1 of
 12 this Act.

13 The sums appropriated shall be expended by the department
 14 of human services for the purposes of this Act.

15 SECTION 4. Statutory material to be repealed is bracketed
 16 and stricken. New statutory material is underscored.

17 SECTION 5. This Act shall take effect on July 1, 2009.

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INTRODUCED BY:

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Report Title:

Department of Human Services Assistance; Fraud Reward Program

Description:

Establishes a reward program for reporting of fraudulent claims to department of human services assistance programs. Increases penalties for committing fraud under assistance programs.

