

## State of Oregon Overpayment Collection Law

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**657.310 Recovery or deduction of benefits paid because of misrepresentation by recipient; penalty.** (1) If the Director of the Employment Department decides that an individual received any benefits under this chapter to which the individual is not entitled because the individual, regardless of the individual's knowledge or intent, made or caused to be made a false statement or misrepresentation of a material fact, or failed to disclose a material fact, the individual is liable:

(a) To repay the amount of the benefits to the director for the Unemployment Compensation Trust Fund; or

(b) To have the amount of the benefits deducted from any future benefits otherwise payable to the individual under this chapter.

(2) In addition to the liability described in subsection (1) of this section, an individual who has been disqualified for benefits under ORS 657.215 is liable for a penalty in an amount equal to 15 percent of the amount of benefits the individual received but to which the individual was not entitled.

(3) A decision of the director under this section does not authorize the recovery of the amount of any benefits paid to an individual until the decision is final and the decision specifies:

(a) That the individual, by reason of the false statement, misrepresentation or nondisclosure, is liable to repay the amount to the Unemployment Compensation Trust Fund;

(b) The nature of the false statement, misrepresentation or nondisclosure; and

(c) The week or weeks for which the benefits were paid.

(4) Any amount subject to recovery and any penalty due under this section may be collected by the director in a civil action against the individual brought in the name of the director. Judgment rendered shall bear interest at the rate provided in subsection (5) of this section. The amount collected, not including interest or the penalty, shall be paid into the Unemployment Compensation Trust Fund.

(5) Interest on any amount liable to be repaid under this section shall be paid and collected at the same time repayment of benefits is made by the individual to the Unemployment Compensation Trust Fund, at the rate of one percent per month beginning on the first day of the month following 60 days after the finality of the administrative decision establishing the overpayment. In computing interest under this subsection, a fraction of a month is counted as a full month.

(6) Deductions from unemployment insurance benefits shall be applied solely to the amount of the benefits liable to be repaid under this section. All other payments shall be applied first to court costs, then to penalties, then to interest, then to the amount liable to be repaid.

(7) Interest and penalties collected under this section shall be paid into the Employment Department Special Fraud Control Fund in accordance with the provisions of ORS 657.400. [Amended by 1963 c.14 §1; 1997 c.372 §1; 2005 c.182 §3; 2007 c.87 §2]

**657.400 Employment Department Special Fraud Control Fund.** (1) There is established in the State Treasury, separate and distinct from the General Fund, the Employment Department Special Fraud Control Fund. The Employment Department Special Fraud Control Fund shall consist of moneys collected or received by the Employment Department as follows:

(a) All interest and penalties collected under ORS 657.310.

(b) All gifts to, interest on or profits earned by the Employment Department Special Fraud Control Fund.

(2) The moneys in the Employment Department Special Fraud Control Fund are continuously appropriated only to the Employment Department and may not be transferred or otherwise made available to any other state agency.

(3) All amounts in the Employment Department Special Fraud Control Fund are to be used for administrative costs associated with the prevention, discovery and collection of unemployment benefit overpayments, as included in the biennial budget of the Employment Department and approved by the Legislative Assembly. [1997 c.372 §9; 2007 c.87 §5]