



## 2013 SENATE BILL 245

August 7, 2013 - Introduced by Senators DARLING, GUDEx, GROTHMAN, KEDZIE, LAZICH, LEIBHAM and OLSEN, cosponsored by Representatives NYGREN, KRUG, KNODL, ENDSLEY, JACQUE, KAUFERT, KERKMAN, KESTELL, KLEEFISCH, NASS, J. OTT, PRIDEMORE, SANFELIPPO, SCHRAA and STRACHOTA. Referred to Committee on Health and Human Services.

1     **AN ACT to repeal** 49.141 (7) (b), 49.141 (9) (title), 49.141 (10) (title) and (b), 49.49  
2           (1) (title) and (a) (intro.), 49.49 (1) (b), 49.49 (2) (title) and (2) (a) (title), 49.49  
3           (2) (b) (title), 49.49 (2) (c) (title), 49.49 (3) (title), 49.49 (3m) (title), 49.49 (3m)  
4           (b), 49.49 (4) (title), 49.795 (1) (cm), 49.795 (7), 49.795 (8) (a), (b) and (c) and  
5           49.95; **to renumber** 49.495 (title) and 49.795 (title) and (1) (intro.); **to**  
6           **renumber and amend** 49.141 (7) (a), 49.141 (9) (a) to (c), 49.141 (10) (a), 49.49  
7           (1) (a) 1. to 4., 49.49 (1) (c), 49.49 (2) (a), 49.49 (2) (b), 49.49 (2) (c), 49.49 (3), 49.49  
8           (3m) (a), 49.495, 49.795 (1) (a), (b), (c), (d) and (e), 49.795 (2) to (6), 49.795 (8)  
9           (d) 1., 49.795 (8) (d) 1m., 49.795 (8) (d) 2. and 49.795 (8) (e) and (f); **to**  
10           **consolidate, renumber and amend** 49.49 (4) (a) and (b); **to amend** 49.141  
11           (7) (c) (intro.) and 1., 49.141 (8), 49.32 (8), 49.45 (2) (b) 7. (intro.) and a., and (11),  
12           49.49 (3p) (title), 49.49 (5), 49.49 (7) (d), 49.688 (9) (a), 49.797 (2) (a), 59.54 (23)  
13           and 940.11 (2); **to repeal and recreate** 49.141 (7) (title); and **to create** 49.835,  
14           49.846 (1), 946.90 (title), 946.90 (1), 946.90 (2), 946.91 (title), (1) and (2) (intro.),

**SENATE BILL 245**

1           946.92 (3) (a) and 946.93 of the statutes; **relating to:** applications for public  
2           assistance programs, offenses in public assistance programs, granting  
3           rule-making authority, and providing a penalty.

---

***Analysis by the Legislative Reference Bureau***

Under current law, various offenses related to the Medical Assistance program (MA), Wisconsin Works (W-2), the federal Supplemental Nutrition Assistance Program, formerly known as the food stamp program and currently known in Wisconsin as FoodShare, and other public assistance programs administered by the Department of Children and Families (DCF) and the Department of Health Services (DHS) (public assistance programs) are subject to criminal penalties. For example, a person who makes or causes to be made any false statement or representation of a material fact in an application for a benefit or payment, or for use in determining rights to any benefit or payment, under MA is subject to a Class H felony. Similarly, a person who knowingly and willfully makes or causes to be made any false statement or representation of a material fact in an application for W-2 benefits or payments may be fined not more than \$10,000, imprisoned for not more than nine months, or both. This bill moves offenses related to public assistance programs to the chapter of the Wisconsin Statutes that relates to crimes against government and its administration. Specifically, under the bill, that chapter of the Wisconsin Statutes contains provisions related to W-2 fraud, MA fraud, FoodShare fraud, and general public assistance fraud.

Under current law, the Department of Justice (DOJ) or a district attorney is authorized to prosecute violations of criminal laws affecting MA. Under the bill, DOJ or a district attorney is authorized to prosecute violations of criminal laws affecting any public assistance program, including W-2, FoodShare, and MA.

Under current law, any person who makes any statement in a written application for public assistance is considered to have made an admission as to the existence, correctness, or validity of any fact stated, which may be used in an enforcement action. Under the bill, an employee who accepts an application for public assistance is authorized to administer an oath to the applicant that the information given is true and correct to the best of the applicant's knowledge. The bill also requires DCF and DHS to promulgate rules providing standards and procedures for the administration of such an oath.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

---

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

4           **SECTION 1.** 49.141 (7) (title) of the statutes is repealed and recreated to read:

**SENATE BILL 245**

1           49.141 (7) (title) SUSPENSIONS.

2           **SECTION 2.** 49.141 (7) (a) of the statutes is renumbered 946.90 (3) and amended  
3 to read:

4           946.90 (3) ~~A person who is convicted of violating sub. (6) in connection with the~~  
5 Whoever violates sub. (2) by furnishing by that person of items or services for which  
6 payment is or may be made under Wisconsin works Works is guilty of a Class H  
7 felony.

8           **SECTION 3.** 49.141 (7) (b) of the statutes is repealed.

9           **SECTION 4.** 49.141 (7) (c) (intro.) and 1. of the statutes are amended to read:

10          49.141 (7) (c) (intro.) Except as provided in par. (d), in addition to the penalties  
11 applicable under ~~par. (a) or (b) s. 946.90 (2) or (3)~~, a person shall be suspended from  
12 participating in Wisconsin works Works for a period of 10 years, beginning on the  
13 date of conviction, if the person is convicted in a federal or state court for any of the  
14 following:

15          1. Violating sub. (6) (a) or s. 946.90 (2) (a) with respect to his or her identity or  
16 place of residence for the purpose of receiving simultaneously from this state and at  
17 least one other state assistance funded by a block grant under Title I of the Federal  
18 Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

19          **SECTION 5.** 49.141 (8) of the statutes is amended to read:

20          49.141 (8) DAMAGES. If a person is convicted under ~~sub. (6) s. 946.90 (2) or (3)~~,  
21 the state has a cause of action for relief against the person in an amount equal to 3  
22 times the amount of actual damages sustained as a result of any excess payments  
23 made in connection with the offense for which the conviction was obtained. Proof by  
24 the state of a conviction under ~~sub. (6) s. 946.90 (2) or (3)~~ is conclusive proof in a civil  
25 action of the state's right to damages and the only issue in controversy shall be the

**SENATE BILL 245****SECTION 5**

1 amount, if any, of the actual damages sustained. Actual damages consist of the total  
2 amount of excess payments, any part of which is paid with state funds. In a civil  
3 action under this subsection, the state may elect to file a motion in expedition of the  
4 action. Upon receipt of the motion, the presiding judge shall expedite the action.

5 **SECTION 6.** 49.141 (9) (title) of the statutes is repealed.

6 **SECTION 7.** 49.141 (9) (a) to (c) of the statutes are renumbered 946.90 (4) (a) to  
7 (c), and 946.90 (4) (a), (b) and (c) 1., as renumbered, are amended to read:

8 946.90 (4) (a) Whoever solicits or receives ~~any remuneration in cash or in-kind~~  
9 money, goods, services, or any other thing of value, in return for referring an  
10 individual to a person for the furnishing or arranging for the furnishing of any item  
11 or service for which payment may be made in whole or in part under Wisconsin ~~works~~  
12 Works, or in return for purchasing, leasing, ordering, or arranging for or  
13 recommending purchasing, leasing, or ordering any good, facility, service, or item for  
14 which payment may be made in whole or in part under Wisconsin ~~works~~ Works, is  
15 guilty of a Class H felony, except that, notwithstanding the maximum fine specified  
16 in s. 939.50 (3) (h), the person may be fined not more than \$25,000.

17 (b) Whoever offers or ~~pays any remuneration in cash or in-kind~~ provides  
18 money, goods, services, or any other thing of value to any person to induce the person  
19 to refer an individual to a person for the furnishing or arranging for the furnishing  
20 of any item or service for which payment may be made in whole or in part under  
21 Wisconsin ~~works~~ Works, or to purchase, lease, order, or arrange for or recommend  
22 purchasing, leasing, or ordering any good, facility, service or item for which payment  
23 may be made in whole or in part under any provision of Wisconsin ~~works~~ Works, is  
24 guilty of a Class H felony, except that, notwithstanding the maximum fine specified  
25 in s. 939.50 (3) (h), the person may be fined not more than \$25,000.

**SENATE BILL 245**

1 (c) 1. A discount or other reduction in price obtained by a provider of services  
2 or other entity under chs. 46 to 51 and 58 if the reduction in price is properly disclosed  
3 and appropriately reflected in the costs claimed or charges made by the provider or  
4 entity under ~~Wisconsin works~~ Works.

5 **SECTION 8.** 49.141 (10) (title) and (b) of the statutes are repealed.

6 **SECTION 9.** 49.141 (10) (a) of the statutes is renumbered 946.90 (5) and  
7 amended to read:

8 946.90 (5) A provider ~~may not~~ who knowingly impose imposes upon a recipient  
9 participant in Wisconsin Works charges in addition to payments received by the  
10 provider for services under ~~Wisconsin works~~ Works or knowingly ~~impose imposes~~  
11 direct charges upon a ~~recipient~~ participant in Wisconsin Works in lieu of obtaining  
12 payment under ~~Wisconsin works~~ unless Works is guilty of a Class H felony, except  
13 that, notwithstanding the maximum fine specified in s. 939.50 (3) (h), the person may  
14 be fined not more than \$25,000. This subsection does not apply if benefits or services  
15 are not provided under Wisconsin works Works and the recipient Wisconsin Works  
16 participant is advised of this fact prior to receiving the service.

17 **SECTION 10.** 49.32 (8) of the statutes is amended to read:

18 49.32 (8) PERIODIC EARNINGS CHECK BY DEPARTMENT. The department shall make  
19 a periodic check of the amounts earned by recipients of aid to families with dependent  
20 children under s. 49.19 and by participants under ~~Wisconsin works~~ under ss. 49.141  
21 to 49.161 through a check of the amounts credited to the recipient's social security  
22 number. The department shall make an investigation into any discrepancy between  
23 the amounts credited to a social security number and amounts reported as income  
24 on the declaration application and take appropriate action under s. ~~49.95~~ 946.93  
25 when warranted. The department shall use the state wage reporting system under

**SENATE BILL 245**

1 1985 Wisconsin Act 17, section 65 (1), when the system is implemented, to make  
2 periodic earnings checks.

3 **SECTION 11.** 49.45 (2) (b) 7. (intro.) and a., and (11) of the statutes are amended  
4 to read:

5 49.45 (2) (b) 7. (intro.) Require, as a condition of certification under par. (a) 11.,  
6 all providers of a specific service that is among those enumerated under s. 49.46 (2),  
7 49.47 (6) (a), or 49.471 (11), as specified in this subdivision, to file with the  
8 department a surety bond issued by a surety company licensed to do business in this  
9 state. Providers subject to this subdivision provide those services specified under s.  
10 49.46 (2), 49.47 (6) (a), or 49.471 (11) for which providers have demonstrated  
11 significant potential to violate s. 49.49 (1) (a), ~~(2) (a) or (b), (3), (3m) (a), (3p), (4) (a),~~  
12 ~~or (4m) (a) or 946.91 (2), (3) (a) or (b), (4), (5), or (6),~~ to require recovery under par.  
13 (a) 10., or to need additional sanctions under par. (a) 13. The surety bond shall be  
14 payable to the department in an amount that the department determines is  
15 reasonable in view of amounts of former recoveries against providers of the specific  
16 service and the department's costs to pursue those recoveries. The department shall  
17 promulgate rules to implement this subdivision that specify all of the following:

18 a. Services under ~~medical assistance~~ Medical Assistance for which providers  
19 have demonstrated significant potential to violate s. 49.49 (1) (a), ~~(2) (a) or (b), (3),~~  
20 ~~(3m) (a), (3p), (4) (a),~~ or (4m) (a) or 946.91 (2), (3) (a) or (b), (4), (5), or (6), to require  
21 recovery under par. (a) 10., or to need additional sanctions under par. (a) 13.

22 **(11) PENALTY.** Any person who receives or assists another in receiving  
23 assistance under this section, to which the recipient is not entitled, shall be subject  
24 to the penalties under s. ~~49.95~~ ss. 946.91 and 946.93.

25 **SECTION 12.** 49.49 (1) (title) and (a) (intro.) of the statutes are repealed.

**SENATE BILL 245**

1           **SECTION 13.** 49.49 (1) (a) 1. to 4. of the statutes are renumbered 946.91 (2) (a)  
2 to (d) and amended to read:

3           946.91 (2) (a) ~~Knowingly and willfully make~~ Intentionally makes or cause  
4 causes to be made any false statement or representation of a material fact in any  
5 application for any Medical Assistance benefit or payment.

6           (b) ~~Knowingly and willfully make~~ Intentionally makes or cause causes to be  
7 made any false statement or representation of a material fact for use in determining  
8 ~~rights to such~~ eligibility for any Medical Assistance benefit or payment.

9           (c) Having knowledge of the occurrence of any event affecting the initial or  
10 continued ~~right to~~ eligibility for any such Medical Assistance benefit or payment or  
11 the initial or continued ~~right to~~ eligibility for any such benefit or payment of any  
12 other individual in whose behalf he or she has applied for or is receiving such benefit  
13 or payment, ~~conceal~~ conceals or ~~fail~~ fails to disclose such event with an intent to  
14 fraudulently ~~to~~ secure such benefit or payment either in a greater amount or  
15 quantity than is due or when no such benefit or payment is authorized.

16           (d) Having ~~made application~~ applied to receive any such Medical Assistance  
17 benefit or payment for the use and benefit of another and having received it,  
18 knowingly and willfully ~~convert such~~ converts the benefit or payment or any part  
19 thereof to a use ~~other than for the use and~~ that is not for the benefit of such other  
20 person.

21           **SECTION 14.** 49.49 (1) (b) of the statutes is repealed.

22           **SECTION 15.** 49.49 (1) (c) of the statutes is renumbered 49.49 (1d) and amended  
23 to read:

24           49.49 (1d) DAMAGES. If any person is convicted under ~~this subsection s.~~ 946.91  
25 (2), the state shall have a cause of action for relief against such person in an amount

**SENATE BILL 245**

1 3 times the amount of actual damages sustained as a result of any excess payments  
2 made in connection with the offense for which the conviction was obtained. Proof by  
3 the state of a conviction under ~~this section~~ s. 946.91 (2) in a civil action shall be  
4 conclusive regarding the state's right to damages and the only issue in controversy  
5 shall be the amount, if any, of the actual damages sustained. Actual damages shall  
6 consist of the total amount of excess payments, any part of which is paid by state  
7 funds. In any such civil action the state may elect to file a motion in expedition of  
8 the action. Upon receipt of the motion, the presiding judge shall expedite the action.

9 **SECTION 16.** 49.49 (2) (title) and (2) (a) (title) of the statutes are repealed.

10 **SECTION 17.** 49.49 (2) (a) of the statutes is renumbered 946.91 (3) (a) and  
11 amended to read:

12 946.91 (3) (a) ~~Any person who~~ Whoever solicits or receives any remuneration,  
13 ~~including any kickback, bribe, or rebate, directly or, indirectly, overtly, or covertly, in~~  
14 ~~cash or in kind, money, goods, services, or any other thing of value~~ in return for  
15 referring an individual to a person for the furnishing or arranging for the furnishing  
16 of any item or service for which payment may be made in whole or in part under ~~a~~  
17 ~~medical assistance program~~ Medical Assistance, or in return for purchasing, leasing,  
18 ordering, or arranging for or recommending purchasing, leasing, or ordering any  
19 good, facility, service, or item for which payment may be made in whole or in part  
20 under ~~a medical assistance program~~ Medical Assistance, is guilty of a Class H felony,  
21 except that, notwithstanding the maximum fine specified in s. 939.50 (3) (h), the  
22 person may be fined not more than \$25,000.

23 **SECTION 18.** 49.49 (2) (b) (title) of the statutes is repealed.

24 **SECTION 19.** 49.49 (2) (b) of the statutes is renumbered 946.91 (3) (b) and  
25 amended to read:



**SENATE BILL 245**

1           946.91 (3) (b) Whoever offers or pays ~~any remuneration including any~~  
2     kickback, bribe, or rebate provides, directly ~~or~~, indirectly, overtly, or covertly, in cash  
3     ~~or in kind~~ money, goods, services, or any other thing of value to any person to induce  
4     such person to refer an individual to a person for the furnishing or arranging for the  
5     furnishing of any item or service for which payment may be made in whole or in part  
6     under ~~a medical assistance program~~ Medical Assistance, or to purchase, lease, order,  
7     or arrange for or recommend purchasing, leasing, or ordering any good, facility,  
8     service or item for which payment may be made in whole or in part under ~~a medical~~  
9     ~~assistance program~~ Medical Assistance, is guilty of a Class H felony, except that,  
10    notwithstanding the maximum fine specified in s. 939.50 (3) (h), the person may be  
11    fined not more than \$25,000.

12           **SECTION 20.** 49.49 (2) (c) (title) of the statutes is repealed.

13           **SECTION 21.** 49.49 (2) (c) of the statutes is renumbered 946.91 (3) (c) and  
14    amended to read:

15           946.91 (3) (c) This subsection shall does not apply to any of the following:

16           1. A discount or other reduction in price obtained by a provider of services or  
17    other entity under chs. 46 to 51 and 58 if the reduction in price is properly disclosed  
18    and appropriately reflected in the costs claimed or charges made by the provider or  
19    entity under ~~a medical assistance program~~ Medical Assistance.

20           2. ~~Any~~ An amount paid by an employer to an employee who has a bona fide  
21    employment relationship with such employer for employment in the provision of  
22    covered items or services.

23           **SECTION 22.** 49.49 (3) (title) of the statutes is repealed.

24           **SECTION 23.** 49.49 (3) of the statutes is renumbered 946.91 (4) and amended  
25    to read:

**SENATE BILL 245****SECTION 23**

1           946.91 (4) ~~No person may~~ Whoever knowingly and willfully ~~make~~ makes or  
2           ~~cause~~ causes to be made, or ~~induce~~ induces or ~~seek~~ seeks to induce the making of, any  
3           false statement or representation of a material fact with respect to the conditions or  
4           operation of any institution or facility in order that such institution or facility may  
5           qualify either upon initial certification or upon recertification as a hospital, skilled  
6           nursing facility, intermediate care facility, or home health agency.—~~A person who~~  
7           ~~violates this subsection~~ is guilty of a Class H felony, except that, notwithstanding the  
8           maximum fine specified in s. 939.50 (3) (h), the person may be fined not more than  
9           \$25,000.

10           **SECTION 24.** 49.49 (3m) (title) of the statutes is repealed.

11           **SECTION 25.** 49.49 (3m) (a) of the statutes is renumbered 946.91 (5), and 946.91  
12           (5) (intro.), (a), (b) and (c), as renumbered, are amended to read:

13           946.91 (5) (intro.) ~~No provider may~~ Whoever knowingly ~~impose~~ imposes upon  
14           a Medical Assistance recipient charges in addition to payments received for services  
15           under ss. 49.45 to 49.471 or knowingly ~~impose~~ imposes direct charges upon a  
16           recipient in lieu of obtaining payment under ss. 49.45 to 49.471 ~~except under the~~  
17           ~~following conditions~~ is guilty of a Class H felony, except that, notwithstanding the  
18           maximum fine specified in s. 939.50 (3) (h), the person may be fined not more than  
19           \$25,000. This subsection does not apply under any of the following circumstances:

20           (a) Benefits or services are not provided under s. 49.46 (2) or 49.471 (11) and  
21           the Medical Assistance recipient is advised of this fact prior to receiving the service.

22           (b) ~~If an~~ An applicant is determined to be eligible retroactively under s. 49.46  
23           (1) (b), 49.47 (4) (d), or 49.471 ~~and~~, a provider bills the applicant directly for services  
24           and benefits rendered during the retroactive period, the provider shall, upon  
25           notification of the applicant's retroactive eligibility, ~~submit claims~~ submits a claim

**SENATE BILL 245**

1 for payment under s. 49.45 for covered services or benefits rendered to the recipient  
2 during the retroactive period. ~~Upon receipt of payment under s. 49.45, the provider~~  
3 ~~shall reimburse, and the provider reimburses~~ the recipient or other person who has  
4 made prior payment to the provider for services provided to the recipient during the  
5 retroactive eligibility period, by the amount of the prior payment made upon receipt  
6 of payment under s. 49.45.

7 (c) Benefits or services are provided for which recipient copayment,  
8 coinsurance, or deductible is required under s. 49.45 (18), not to exceed maximum  
9 amounts allowable under 42 CFR 447.53 to 447.58, or for which recipient copayment  
10 or coinsurance is required under s. 49.471 (11).

11 **SECTION 26.** 49.49 (3m) (b) of the statutes is repealed.

12 **SECTION 27.** 49.49 (3p) (title) of the statutes is amended to read:

13 49.49 (3p) (title) ~~OTHER PROHIBITED PROVIDER CHARGES.~~

14 **SECTION 28.** 49.49 (4) (title) of the statutes is repealed.

15 **SECTION 29.** 49.49 (4) (a) and (b) of the statutes are consolidated, renumbered  
16 946.91 (6) and amended to read:

17 946.91 (6) ~~No person Whoever, in connection with the medical assistance~~  
18 ~~program Medical Assistance when the cost of the services provided to the patient is~~  
19 ~~paid for in whole or in part by the state, may knowingly and willfully charge, solicit,~~  
20 ~~accept or receive intentionally charges, solicits, accepts, or receives, in addition to~~  
21 ~~any amount otherwise required to be paid under ~~a medical assistance program~~~~  
22 Medical Assistance, any gift, money, donation, or other consideration, other than a  
23 charitable, religious, or philanthropic contribution from an organization or from a  
24 person unrelated to the patient, as a precondition of admitting a patient to a hospital,  
25 skilled nursing facility, or intermediate care facility, or as a requirement for the

**SENATE BILL 245**

1 patient's continued stay in such a facility. ~~(b) A person who violates this subsection~~  
2 is guilty of a Class H felony, except that, notwithstanding the maximum fine specified  
3 in s. 939.50 (3) (h), the person may be fined not more than \$25,000.

4 **SECTION 30.** 49.49 (5) of the statutes is amended to read:

5 49.49 (5) COUNTY COLLECTION. Any county may retain ~~15%~~ 15 percent of state  
6 ~~medical assistance~~ Medical Assistance funds that are recovered due to the efforts of  
7 a county employee or officer or, if the county initiates action by the department of  
8 justice, due to the efforts of the department of justice under s. ~~49.495~~ 49.846. This  
9 subsection applies only to recovery of medical assistance that was provided as a  
10 result of fraudulent activity by a recipient or by a provider.

11 **SECTION 31.** 49.49 (7) (d) of the statutes is amended to read:

12 49.49 (7) (d) A commission's imposition of an assessment described under par.  
13 (b), a member's payment of the assessment as described under par. (c), and  
14 acceptance of the payment by the commission do not constitute conduct prohibited  
15 under ~~sub. (4) s. 946.91 (6)~~ or prohibited under s. DHS 106.04 (3), Wis. Adm. Code,  
16 in effect on May 26, 2010. It is the intent of the legislature to create a mechanism  
17 whereby 2 or more political subdivisions may share in the operation, use, and  
18 funding of a nursing home or intermediate care facility without violating 42 USC  
19 1320a-7b (d) or 42 USC 1396a (a) (25) (C).

20 **SECTION 32.** 49.495 (title) of the statutes is renumbered 49.846 (title).

21 **SECTION 33.** 49.495 of the statutes is renumbered 49.846 (2) and amended to  
22 read:

23 49.846 (2) The department of justice or the district attorney may institute,  
24 manage, control, and direct, in the proper county, any prosecution for violation of  
25 criminal laws affecting ~~the medical~~ a public assistance program, including ~~but not~~

**SENATE BILL 245**

1 ~~limited to laws in this chapter, chs. 939 to 951 relating to medical assistance~~  
2 ~~contained in this subchapter Medical Assistance, Wisconsin Works, the food stamp~~  
3 ~~program, or any other public assistance program, and laws affecting the health,~~  
4 ~~safety, and welfare of public assistance program recipients of medical assistance. For~~  
5 ~~this purpose the department of justice shall have and exercise all powers conferred~~  
6 ~~upon district attorneys in such cases. The If a prosecution under this section involves~~  
7 ~~a person holding a license granted by the medical examining board or an interested~~  
8 ~~affiliated credentialing board, the department of justice or district attorney shall~~  
9 ~~notify the medical examining board or the interested affiliated credentialing board~~  
10 ~~of any such the prosecution of a person holding a license granted by the board or~~  
11 ~~affiliated credentialing board.~~

12 **SECTION 34.** 49.688 (9) (a) of the statutes is amended to read:

13 49.688 **(9)** (a) The department shall promulgate rules relating to prohibitions  
14 on fraud that are substantially similar to applicable provisions under s. ~~49.49 (1) (a)~~  
15 946.91 (2).

16 **SECTION 35.** 49.795 (title) and (1) (intro.) of the statutes are renumbered 946.92  
17 (title) and (1) (intro.).

18 **SECTION 36.** 49.795 (1) (a), (b), (c), (d) and (e) of the statutes are renumbered  
19 946.92 (1) (a), (b), (c), (d) and (e), and 946.92 (1) (b), (c) and (d), as renumbered, are  
20 amended to read:

21 946.92 **(1)** (b) “Food” means items ~~which~~ that may be purchased using food  
22 ~~coupons~~ stamp program benefits under 7 USC 2012 ~~(g)~~ and 2016 (b).

23 (c) “Food stamp program” means the federal food stamp program under 7 USC  
24 2011 to ~~2029~~ 2036a.

**SENATE BILL 245**

1 (d) "Supplier" means a retail grocery store or other person authorized by the  
2 federal department of agriculture to accept food ~~coupons~~ stamp program benefits in  
3 exchange for food under the food stamp program.

4 **SECTION 37.** 49.795 (1) (cm) of the statutes is repealed.

5 **SECTION 38.** 49.795 (2) to (6) of the statutes are renumbered 946.92 (2) (a) to  
6 (f), and 946.92 (2) (c), (d), (e) and (f), as renumbered, are amended to read:

7 946.92 (2) (c) No person may knowingly issue food ~~coupons~~ stamp program  
8 benefits to a person who is not an eligible person or knowingly issue food ~~coupons~~  
9 stamp program benefits to an eligible person in excess of the amount for which the  
10 person's household is eligible.

11 (d) No eligible person may knowingly transfer food ~~coupons~~ stamp program  
12 benefits except to purchase food from a supplier or knowingly obtain or use food  
13 ~~coupons~~ stamp program benefits for which the person's household is not eligible.

14 (e) No supplier may knowingly obtain food ~~coupons~~ stamp program benefits  
15 except as payment for food or knowingly obtain food ~~coupons~~ stamp program benefits  
16 from a person who is not an eligible person.

17 (f) No unauthorized person may knowingly obtain, possess, transfer, or use food  
18 ~~coupons~~ stamp program benefits.

19 **SECTION 39.** 49.795 (7) of the statutes is repealed.

20 **SECTION 40.** 49.795 (8) (a), (b) and (c) of the statutes are repealed.

21 **SECTION 41.** 49.795 (8) (d) 1. of the statutes is renumbered 946.92 (3) (b) and  
22 amended to read:

23 946.92 (3) (b) In addition to the penalties applicable under par. (a), ~~(b) or (e)~~,  
24 the court shall suspend a person who violates ~~this section~~ sub. (2) from participation  
25 in the food stamp program as follows:

**SENATE BILL 245**

1           1. For a first offense conviction under this section, for not less than one year.  
2           The court may extend the suspension by and not more than 18 months 2 years and  
3           6 months.

4           2. For a 2nd offense conviction under this section, for not less than 2 years.—The  
5           court may extend the suspension by and not more than 18 months 3 years and 6  
6           months.

7           3. For a 3rd offense conviction under this section, permanently.

8           **SECTION 42.** 49.795 (8) (d) 1m. of the statutes is renumbered 946.92 (3) (c) and  
9           amended to read:

10           946.92 (3) (c) In addition to the penalties applicable under par. (a), ~~(b) or (c),~~  
11           a court shall permanently suspend from the food stamp program a person who has  
12           been convicted of an offense under 7 USC 2024 (b) or (c) involving an item covered  
13           by 7 USC 2024 (b) or (c) having a value of \$500 or more.

14           **SECTION 43.** 49.795 (8) (d) 2. of the statutes is renumbered 49.796 and amended  
15           to read:

16           **49.796 Food stamp reinstatement.** The A person may apply to the a  
17           multicounty consortium, as defined in s. 49.78 (1) (br), or the a federally recognized  
18           American Indian tribal governing body or, if the person is a supplier, as defined in  
19           s. 946.92 (1) (d), to the federal department of agriculture for reinstatement of benefits  
20           following the a period of suspension imposed under s. 946.92, if the suspension is not  
21           permanent.

22           **SECTION 44.** 49.795 (8) (e) and (f) of the statutes are renumbered 946.92 (3) (d)  
23           and (e) and amended to read:

24           946.92 (3) (d) 1. If a court finds that a person ~~traded~~ violated sub. (2) by trading  
25           a controlled substance, as defined in s. 961.01 (4), for food coupons stamp program

**SENATE BILL 245**

1 benefits, the court shall suspend the person from participation in the food stamp  
2 program as follows:

3 a. Upon ~~the first such finding~~ a first conviction, for 2 years.

4 b. Upon ~~the a 2nd such finding~~ conviction, permanently.

5 2. If ~~a court finds that~~ a person violated sub. (2) by trading traded firearms,  
6 ammunition, or explosives for food ~~coupons~~ stamp program benefits, the court shall  
7 suspend the person permanently from participation in the food stamp program.

8 (e) Notwithstanding ~~par. (d)~~ pars. (b) and (c), in addition to the penalties  
9 applicable under par. (a), ~~(b) or (c)~~, the court shall suspend from the food stamp  
10 program for a period of 10 years a person who violates sub. (2) by fraudulently  
11 misstates ~~misstating~~ or misrepresents ~~misrepresenting~~ his or her identity or place  
12 of residence for the purpose of receiving multiple benefits simultaneously under the  
13 food stamp program.

14 **SECTION 45.** 49.797 (2) (a) of the statutes is amended to read:

15 49.797 (2) (a) Notwithstanding s. 46.028 and except as provided in par. (b) and  
16 sub. (8), the department shall administer a statewide program to deliver food stamp  
17 benefits to recipients of food stamp benefits by an electronic benefit transfer system.  
18 All suppliers, as defined in s. 49.795 946.92 (1) (d), may participate in the delivery  
19 of food stamp benefits under the electronic benefit transfer system. The department  
20 shall explore methods by which nontraditional retailers, such as farmers' markets,  
21 may participate in the delivery of food stamp benefits under the electronic benefit  
22 transfer system.

23 **SECTION 46.** 49.835 of the statutes is created to read:

24 **49.835 Affirmation of statements in applications.** (1) A person who  
25 makes a statement in a written application for any aid or benefit provided under this



**SENATE BILL 245**

1 chapter is considered to have made an admission as to the existence, correctness, or  
2 validity of any fact stated. Such a statement is prima facie evidence against the  
3 person who made it in any complaint, information, or indictment, or in any action  
4 brought for enforcement of any provision of this chapter.

5 (2) An employee of a county department, a Wisconsin Works agency, a  
6 multicounty consortium, the department of health services, or the department of  
7 children and families who accepts an application for any aid or benefit under this  
8 chapter has the authority to administer an oath to the applicant that the information  
9 given is true and correct to the best of the applicant's knowledge.

10 (3) The department of children and families and the department of health  
11 services shall promulgate rules that specify standards and procedures for the  
12 administration of an oath to an applicant for any aid or benefit under this chapter  
13 that the information provided by the applicant is true and correct to the best of the  
14 applicant's knowledge.

15 **SECTION 47.** 49.846 (1) of the statutes is created to read:

16 49.846 (1) In this section, "public assistance program" means any program  
17 administered by the department of health services or the department of children and  
18 families under this chapter under which the department administering the program  
19 provides services, benefits, or other assistance to individuals or families.

20 **SECTION 48.** 49.95 of the statutes is repealed.

21 **SECTION 49.** 59.54 (23) of the statutes is amended to read:

22 59.54 (23) PUBLIC ASSISTANCE; FALSE REPRESENTATION. The board may enact and  
23 enforce an ordinance to prohibit conduct that is the same as or similar to conduct that  
24 is prohibited by s. ~~49.95 (1)~~ 946.93 (2) and provide a forfeiture for a violation of the  
25 ordinance.

**SENATE BILL 245**

1           **SECTION 50.** 940.11 (2) of the statutes is amended to read:

2           940.11 (2) Whoever hides or buries a corpse, with intent to conceal a crime or  
3 avoid apprehension, prosecution, or conviction for a crime or notwithstanding s.  
4 49.141 (7), ~~49.49 (1), or 49.795~~ 946.90 (2) or (3), 946.91 (2), 946.92, or 946.93 (2) or  
5 (3) with intent to collect benefits under ~~one of those sections~~ the assistance program  
6 for families with dependent children administered under ss. 49.141 to 49.161, the  
7 Medical Assistance program administered under subch. IV of ch. 49, or the food  
8 stamp program, as defined in s. 49.79 (1) (c), is guilty of a Class G felony.

9           **SECTION 51.** 946.90 (title) of the statutes is created to read:

10           **946.90 (title) Wisconsin Works fraud.**

11           **SECTION 52.** 946.90 (1) of the statutes is created to read:

12           946.90 (1) In this section:

13           (a) “Provider” means a Wisconsin Works agency, a person that contracts with  
14 a Wisconsin Works agency to provide services to a participant in Wisconsin Works,  
15 or a person that provides child care for reimbursement under s. 49.155.

16           (b) “Wisconsin Works” means the assistance program for families with  
17 dependent children administered under ss. 49.141 to 49.161.

18           (c) “Wisconsin Works agency” has the meaning given in s. 49.001 (9).

19           **SECTION 53.** 946.90 (2) of the statutes is created to read:

20           946.90 (2) Whoever does any of the following is guilty of a Class A  
21 misdemeanor:

22           (a) Intentionally makes or causes to be made any false statement or  
23 representation of a material fact in any application for or receipt of any Wisconsin  
24 Works benefit or payment.

**SENATE BILL 245**

1 (b) Having knowledge of the occurrence of any event affecting the initial or  
2 continued eligibility for a Wisconsin Works benefit or payment under Wisconsin  
3 Works, conceals or fails to disclose that event with an intent to fraudulently secure  
4 a Wisconsin Works benefit or payment either in a greater amount or quantity than  
5 is due or when no such benefit or payment is authorized.

6 **SECTION 54.** 946.91 (title), (1) and (2) (intro.) of the statutes are created to read:

7 **946.91 (title) Medical Assistance fraud. (1)** In this section:

8 (a) "Facility" means a nursing home or a community-based residential facility  
9 that is licensed under s. 50.03 and that is certified by the department of health  
10 services as a provider of aid under Medical Assistance.

11 (b) "Medical Assistance" means the program providing aid under subch. IV of  
12 ch. 49, except ss. 49.468 and 49.471.

13 (c) "Provider" means a person, corporation, limited liability company,  
14 partnership, incorporated business, or professional association, and any agent or  
15 employee thereof, who provides services under Medical Assistance.

16 **(2)** (intro.) Whoever does any of the following is guilty of a Class H felony, except  
17 that, notwithstanding the maximum fine specified in s. 939.50 (3) (h), the person may  
18 be fined not more than \$25,000:

19 **SECTION 55.** 946.92 (3) (a) of the statutes is created to read:

20 946.92 **(3)** (a) Whoever violates sub. (2) is subject to the following penalties:

21 1. If the value of the food stamp program benefits does not exceed \$100, a Class  
22 B misdemeanor.

23 2. Except as provided in subd. 3., if the value of the food stamp program benefits  
24 exceeds \$100, but is less than \$5,000, a Class I felony.

**SENATE BILL 245**

1           3. If the value of the food stamp program benefits exceeds \$100, but is less than  
2           \$5,000, and the person has a prior conviction under this section, a Class H felony.

3           4. If the value of the food stamp program benefits is \$5,000 or more, a Class G  
4           felony.

5           **SECTION 56.** 946.93 of the statutes is created to read:

6           **946.93 Public assistance fraud.** (1) In this section, "public assistance"  
7           means any aid, benefit, or services provided under ch. 49.

8           (2) Whoever intentionally makes or causes to be made any false statement or  
9           representation of material fact in any application for or receipt of public assistance  
10          is guilty of a Class A misdemeanor.

11          (3) No person may do any of the following:

12          (a) Having knowledge of an event affecting the initial or continued eligibility  
13          for public assistance, conceal or fail to disclose that event with an intent to  
14          fraudulently secure public assistance, including payment either in a greater amount  
15          or quantity than is due or when no such benefit or payment is authorized.

16          (b) Receive any income or assets and fail to notify the public assistance agency  
17          within 10 days after receiving the income or assets, unless a different time period is  
18          required under the applicable public assistance program.

19          (c) Fail to notify the public assistance agency within 10 days of any change in  
20          circumstances for which notification by the recipient must be provided under law,  
21          unless a different time period is required under the applicable public assistance  
22          program.

23          (d) Receive a voucher under a public assistance program for goods or services  
24          and use the funding granted under the voucher for purposes that are not authorized  
25          by the public assistance agency.

**SENATE BILL 245**

- 1 (e) Whoever violates par. (a), (b), (c), or (d) is subject to the following penalties:
- 2 1. If the value of the payment or benefit does not exceed \$300, a Class B
- 3 forfeiture.
- 4 2. If the value of the payment or benefit is more than \$300 but does not exceed
- 5 \$1,000, a Class B misdemeanor.
- 6 3. If the value of the payment or benefit is more than \$1,000 but does not exceed
- 7 \$2,000, a Class A misdemeanor.
- 8 4. If the value of the payment or benefit is more than \$2,000 but does not exceed
- 9 \$5,000, a Class I felony.
- 10 5. If the value of the payment or benefit is more than \$5,000 but does not exceed
- 11 \$10,000, a Class H felony.
- 12 6. If the value of the payment or benefit is more than \$10,000, a Class G felony.
- 13 (4) A person who obtains money, goods, services, or any other thing of value
- 14 because he or she sends or brings a person to a county department, federally
- 15 recognized American Indian tribe or band, multicounty consortium, or Wisconsin
- 16 Works agency for the purpose of obtaining public assistance is guilty of a Class C
- 17 misdemeanor.
- 18 (5) (a) Whoever solicits or receives money, goods, services, or any other thing
- 19 of value in return for referring an individual to a person for the furnishing or
- 20 arranging for the furnishing of any item or service for which a public assistance
- 21 payment may be made in whole or in part, or in return for purchasing, leasing,
- 22 ordering, or arranging for or recommending purchasing, leasing, or ordering any
- 23 good, facility, service, or item for which public assistance payment may be made in
- 24 whole or in part, is guilty of a Class H felony, except that, notwithstanding the

**SENATE BILL 245**

1 maximum fine specified in s. 939.50 (3) (h), the person may be fined not more than  
2 \$25,000.

3 (b) Whoever offers or provides money, goods, services, or any other thing of  
4 value to any person to induce the person to refer an individual to a person for the  
5 furnishing or arranging for the furnishing of any item or service for which public  
6 assistance payment may be made in whole or in part, or to purchase, lease, order, or  
7 arrange for or recommend purchasing, leasing, or ordering any good, facility, service,  
8 or item for which public assistance payment may be made in whole or in part, is guilty  
9 of a Class H felony, except that, notwithstanding the maximum fine specified in s.  
10 939.50 (3) (h), the person may be fined not more than \$25,000.

11 (c) This subsection does not apply to any of the following:

12 1. A discount or other reduction in price obtained by a provider of services or  
13 other entity under chs. 46 to 51 and 58 if the reduction in price is properly disclosed  
14 and appropriately reflected in the costs claimed or charges made by the provider or  
15 entity under a public assistance program.

16 2. An amount paid by an employer to an employee who has a bona fide  
17 employment relationship with the employer for employment in the provision of  
18 covered items or services.

19 (6) Whoever makes any statement in a written application for public  
20 assistance is considered to have made an admission as to the existence, correctness,  
21 or validity of any fact stated. Such a statement is prima facie evidence against the  
22 person who made it in any complaint, information, or indictment, or in any action  
23 brought for enforcement of any provision of this section or ch. 49.

**SECTION 57. Nonstatutory provisions.**

24 (1) PUBLIC ASSISTANCE APPLICATIONS; RULES.  
25

**SENATE BILL 245**

1 (a) The department of children and families shall present the statement of  
2 scope of the rules required under section 49.835 (3) of the statutes, as created by this  
3 act, to the governor for the approval under section 227.135 (2) of the statutes no later  
4 than the 30th day after the effective date of this paragraph. The department of  
5 children and families shall submit in proposed form the rules required under section  
6 49.835 (3) of the statutes, as created by this act, to the legislative council staff under  
7 section 227.15 (1) of the statutes no later than the first day of the 18th month  
8 beginning after the governor approves the statement of scope for the rules.

9 (b) The department of health services shall present the statement of scope of  
10 the rules required under section 49.835 (3) of the statutes, as created by this act, to  
11 the governor for the approval under section 227.135 (2) of the statutes no later than  
12 the 30th day after the effective date of this paragraph. The department of health  
13 services shall submit in proposed form the rules required under section 49.835 (3) of  
14 the statutes, as created by this act, to the legislative council staff under section  
15 227.15 (1) of the statutes no later than the first day of the 18th month beginning after  
16 the governor approves the statement of scope for the rules.

**SECTION 58. Initial applicability.**

17  
18 (1) PUBLIC ASSISTANCE APPLICATIONS. The treatment of section 49.835 of the  
19 statutes first applies to applications for aid or benefits under chapter 49 of the  
20 statutes that are received by the department of health services or the department of  
21 children and families on the effective date of this subsection.

22 (2) PUBLIC ASSISTANCE FRAUD. The treatment of section 946.93 of the statutes  
23 first applies to acts and omissions that occur on the effective date of this subsection.

24 (END)