



Alaska State Legislature

Senate Majority Web: www.akrepublicans.org

Sponsor: Senator Ralph Seekins
Current Version: CCS SB 104
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Fact Sheet for: Senate Bill 104

Short Title: PERMANENT FUND DIVIDEND FRAUD/ELIGIBILITY

Summary:

- Establishes the crime of unsworn falsification in the first degree, a class C felony, if a person submits a false statement on an application for a permanent fund dividend.
- Creates a PFD fraud investigation unit within the Department of Revenue to assist the Department of Law in detecting and investigating PFD fraud.
- Allows the Department of Revenue to issue an order against a person who willfully misrepresents or exercises gross negligence in claiming a permanent fund or certifying another person's eligibility for the:
 - forfeiture of the dividend;
 - imposition of a civil fine up to \$3,000;
 - loss of eligibility to receive the next five dividends following the forfeited dividend.
- Adds peace corps and members of the United States Olympic Team as allowable absences for purposes of eligibility for permanent fund dividends.

Benefits:

- Strengthens the Department of Revenue's ability to investigate fraud associated with making a false application for a permanent fund dividend.
- Provides a more effective deterrent for PFD fraud.

Background:

- In 2004 the Department of Revenue examined more than 1,600 fraud tips and audited more than 1,700 PFD applications suspected of being fraudulent. This resulted in \$1.4 million in denied or assessed dividends (more than 1,500 applicants). There were also three federal indictments and one conviction for crimes involving PFD fraud. Current law provides three separate degrees of forgery—the two most serious offenses are punishable as class B and C felonies—but are limited to cases involving various types of financial instruments such as currency, securities and deeds of trust.