

Honolulu, Hawaii  
Feb 5, 2008

RE: H.B. No. 2935  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Sir:

Your Committee on Human Services & Housing, to which was referred H.B. No. 2935 entitled:

"A BILL FOR AN ACT RELATING TO HUMAN SERVICES,"

begs leave to report as follows:

The purpose of this bill is to discourage fraudulent claims made to Department of Human Services (DHS) assistance programs by:

- (1) Creating an incentive for people to report fraudulent claims by providing a reward of the lesser of \$2,500, or ten percent of the amount awarded as restitution; and
- (2) Increasing the criminal penalties for committing fraud under public assistance programs.

This bill also appropriates funds for purposes of the reward program.

A concerned individual testified in support of this bill. DHS provided comments.

Your Committee has amended this bill by:

- (1) Limiting the award to \$100 for reporting a fraudulent claim;
- (2) Removing the five-year time limit to pay the reward;



- (3) Allowing DHS to contract with a third party to pay the rewards;
- (4) Authorizing DHS to create a special account to hold restitution moneys and to make payments under the reward program;
- (5) Removing the enhanced penalties of Class C and Class B felonies for fraudulently obtained public assistance exceeding \$300 and \$20,000, respectively;
- (6) Changing the effective date to July 1, 2009, to allow DHS time to implement the program; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2935, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2935, H.D. 1, and be referred to the Committee on Judiciary.

Respectfully submitted on  
behalf of the members of the  
Committee on Human Services &  
Housing,



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MAILE SHIMABUKURO, Chair



