

# ***Compliance Analysis for: sections 801–807.docx***

**\*\*Compliance Aspect: Incomes and contributions or payments\*\***

**\*\*COMPLIANT\*\***

The Operations Manual Chunk explicitly addresses the aspect of "Incomes and contributions or payments" by discussing various types of fees, fines, penalties, and contributions related to incomes. This includes administrative fees (Section 801), false statements and reports (Section 802), failure to report or pay (Sections 803 and 804), nonpayment (Section 805), liens for contributions (Section 806), and even a section on front businesses that may be involved in fraudulent activities related to payments (Section 807).

The following citations support this compliance determination:

- Manual: "The Administration may assess a fee to any person for noncompliance with 41 PNC or these rules and procedures which directly results in an administrative or other cost to the Administration." (From Section 801)
- Manual: "An employer who fails to report any amount of remuneration paid or fails to pay any amount of contributions due to the System is liable for a civil penalty, at the discretion of the Board, of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250.00), whichever is greater." (From Section 803)
- Manual: "If any contribution or penalty imposed by 41 PNC is not paid on or before the date prescribed for such payment, there shall be collected, in addition to such contribution and penalty, interest on the unpaid balance of the contribution or penalty at the rate of twelve percent (12%) per annum from its due date until the date it is paid." (From Section 805)
- Guideline: "All participating employers and participating self-employed individuals shall submit to the Administration a report on an official form to the Administration and pay all amounts of contributions due at the end of each quarter." (From Guideline Excerpt 2)
- Guideline: "The amount of the subscription payable for such individuals shall be equal to two point twenty five percent (2.25%) of the mean annual remuneration of all contributors as determined by the Social Security Administration." (From Guideline Excerpt 5)

**\*\*Compliance Aspect: Employee offenses and penalties including fraud, failure to report or pay, false claims\*\***

**\*\*COMPLIANT\*\***

The Operations Manual Chunk explicitly addresses the guideline aspect of "Employee offenses and penalties including fraud, failure to report or pay, false claims". The manual outlines various penalties for noncompliance, such as administrative fees (Section 801), fines for false statements and reports (Section 802), civil penalties for failure to report or pay (Section 803), criminal penalties for knowingly failing to report or pay (Section 804), additional penalties for nonpayment (Section 805), liens for contributions (Section 806), and reporting of suspected front businesses (Section 807).

These sections align with the relevant guidelines, such as Guideline Excerpt 1, 2, 3, 4, 5, and 6, which outline penalties for knowingly submitting false claims, failing to report or pay, making false statements, and mismanaging the Fund. The manual's provisions for fines, imprisonment, interest on unpaid balances, attorney's fees, and collection costs are consistent with the guidelines.

**\*\*Explanation & Reasoning:\*\***

The Operations Manual Chunk provides penalties for various offenses that correspond to those outlined in the relevant guidelines. For example, both the manual and the guidelines specify fines for knowingly making false statements or reports (Section 802 vs Guideline Excerpt 6), failure to report or pay (Section 803 vs Guideline Excerpt 3), and knowingly failing to report or pay (Section 804 vs Guideline Excerpt 5). The manual also includes provisions for additional penalties, such as interest on unpaid balances and attorney's fees, which are consistent with the guidelines (Section 805 vs Guideline Excerpt 5 and 6).

**\*\*Verbatim Citations:\*\***

- Manual: "A person who knowingly makes a false statement or falsifies any report to or record of the Administration in an attempt to defraud the Social Security System is guilty of a misdemeanor and is liable to imprisonment for a period not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000.00), or both." (Section 802)
- Guideline: "An individual who knowingly submits a false claim for benefits or obtains money from the Fund under false pretenses for the purpose of misleading, defrauding, or cheating the Fund shall, upon conviction, be guilty of a felony and may be sentenced to imprisonment for a period not exceeding five (5) years or a fine of not more than five thousand dollars (\$5,000), or both." (Guideline Excerpt 1)
- Manual: "An employer who fails to report any amount of remuneration paid or fails to pay any amount of contributions due to the System is liable for a civil penalty, at the discretion of the Board, of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250.00), whichever is greater." (Section 803)
- Guideline: "An employer who fails to report any amount of remuneration paid or fails to pay any amount of contributions due to the System is liable for a civil penalty, at the discretion of the Board, of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250), whichever is greater." (Guideline Excerpt 3)

**\*\*Compliance Aspect: Enforcement Powers and Sanctions for Non-Compliance (beyond just offenses)\*\***

**\*\*COMPLIANT\*\***

The Operations Manual Chunk explicitly outlines various enforcement powers and sanctions for non-compliance beyond just offenses, as specified in the Relevant Guidelines. The manual details administrative fees, civil penalties, fines, imprisonment, liens, and interest on unpaid balances (Section 801 to Section 805). It also mentions criminal prosecution by the Office of the Attorney General under certain provisions (Section 802, Section 804).

**\*\*Explanation & Reasoning:\*\***

The Operations Manual Chunk provides a comprehensive list of penalties and sanctions for non-compliance with the rules and procedures outlined in the manual. These penalties include administrative fees, civil penalties, fines, imprisonment, liens, and interest on unpaid balances (Manual: "Late fees; Filing or reporting fees; Auditing fees; Noncompliance fees; A person who knowingly makes a false statement... is guilty of a misdemeanor and is liable to imprisonment for a period not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000.00), or both..."). This aligns with the Relevant Guidelines that mention fines, imprisonment, and civil penalties for non-compliance (Guideline Excerpt 2, Guideline Excerpt 4).

**\*\*Verbatim Citations:\*\***

Manual: "Late fees; Filing or reporting fees; Auditing fees; Noncompliance fees.", "A person who knowingly makes a false statement... is guilty of a misdemeanor and is liable to imprisonment for a period not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000.00), or both."

Guideline: "An employer who fails to report any amount of remuneration paid or fails to pay any amount of contributions due to the System is liable for a civil penalty...", "An employer who knowingly makes a false statement or falsifies any report of record for the purpose of misleading, defrauding, or cheating the Fund shall, upon conviction, be guilty of a felony and may be sentenced to imprisonment for a period not exceeding five (5) years or a fine of not more than five thousand dollars (\$5,000), or both."