Oct. 20, 1942

Guy R. Whitten, Deputy — Insurance

John O. Rogers, Assistant — Attorney General

Treasurer's Bonds - Unemployment Compensation Comm'n Funds

In answer to your inquiry concerning the bond of the State Treasurer in connection with the Unemployment Compensation Commission funds, I can give you the following answer.

Chapter 192, Section 9 (a), P. L. 1935 (Approved Dec.18, 1936) provides that there shall be an unemployment compensation fund.

Paragraph (b) of the same chapter provides:

1. The treasurer of state "shall be ex-officio treasurer and custodian of the fund and shall administer such fund.......".

2. The treasurer of state shall maintain "within the fund three separate accounts: (1) A clearing account, (2) an unemployment trust fund account and (3) a benefit account".

3. "The treasurer shall give a separate bond conditioned upon the faithful performance of his duties as custodian of the fund in an amount fixed by the commission and in a form prescribed by law or approved by the attorney general. Premiums on such bond shall be paid from the administration fund."

Section 13 (a) provides for the establishment in the treasury of "the unemployment compensation administration fund", and also provides that this fund shall be administered in the same way as any other special funds. The state treasurer should give "a separate and additional bond" for this fund.

Various amendments have been made to the Unemployment Compensation Act but none of them affect this particular situation.

It appears that one separate bond is required by the provisions of Section 9 (b) of the law, and another separate bond is required by the provisions of Section 13 (a). In the past, apparently one bond has been given which has been conditioned on the State Treasurer performing his duties as treasurer of the "State of Maine Unemployment Compensation Commission, the Administration Fund Account, the Clearing Account and Benefit Payment Account".

It appears that where one bond has been given in the past, two bonds should have been given; the first bond to be conditioned "upon the faithful performance of his duties as custodian of the unemployment compensation fund". The second bond should be conditioned upon "the faithful performance of his duties in connection with the unemployment compensation administration fund".

It now appears that the Federal Social Security Board has decided that the premium for the bond to cover the administration fund cannot be paid for out of Federal funds. However, because this is true, it does not excuse the giving of the bond to cover the administration fund which now apparently must be paid for solely out of State funds.

I suggest that the wording of the bonds follow strictly the wording of the two statutes in question.

John O. Rogers
Assistant Attorney General

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