§ 552-b. Unemployment insurance control fund. 1. There is hereby established in the joint custody of the commissioner of taxation and finance and the state comptroller a fund to be known as the "unemployment insurance control fund".

2. The unemployment insurance control fund shall consist of all penalties imposed and collected pursuant to paragraph (b) of subdivision two of section five hundred eighty-one of this article, the department's share of all penalties imposed and collected pursuant to paragraph one of subsection (v) of section six hundred eighty-five of the tax law, and all other moneys credited or transferred thereto from any other fund or sources pursuant to law.

3. Moneys in the unemployment insurance control fund shall be kept separate from and shall not be commingled with any other moneys in the custody of the commissioner of taxation and finance and the state comptroller. All deposits of such moneys shall, if required by the state comptroller, be secured by obligations of the United States or of this state of market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give such securities for such deposits.

4. Moneys of the unemployment insurance control fund shall be used for the location and prevention of fraud and abuse, collection and enforcement activities, benefit payment control activities and other quality control activities related to the unemployment insurance program. The moneys shall be paid out of the unemployment insurance control fund on the audit and warrant of the state comptroller on vouchers certified or approved by the commissioner or his or her duly designated officer. Any balance in such fund shall not lapse at any time but shall remain continuously available for such purposes.

5. The unemployment insurance control fund shall not be used in whole or in part for any purpose or in any manner which (a) would permit its substitution for, or a corresponding reduction in, federal funds that would be available in its absence to finance expenditures for the administration of this article; or (b) would cause the appropriate

agency of the United States government to withhold any part of an administrative grant which would otherwise be made.