Connecticut Chapter

Testimony by Lelah Campo, President
Associated Builders and Contractors of CT, Inc.

Before Government Administration And Elections Committee - March 16, 2007

Re: Opposed - 1428 An Act Concerning Fraud Against The State.

The Associated Builders and Contractors of CT (CT ABC) is **STRONGLY** opposed to SB 1428 - AAC Fraud Against the State.

CT ABC is the largest construction trade association in the state, representing contractors, subcontractors, suppliers and industry professionals.

CT ABC believes that a false claims act is extraordinarily problematic due to potential misuse and that it would further prevent contractors from bidding on our public projects.

Key areas of concern are as follows:

- High penalties and damages often far exceed any harm to the government
- States with False Claims Acts are abusing these powerful laws to intimidate contractors into relinquishing claims for legitimate payment due to them
- The definition of claim is too broad - almost any action by a contractor could be a claim
- The term false is not defined
- The act does not require a specific intent to commit fraud
- The definition of knowing and knowingly is extremely broad

In recent years the public construction market has undergone enormous regulatory changes in the name of reform. We have seen prequalification for any contract over 500K, increases to prevailing wage, affidavits, changes to UConn's system, etc. We have not yet had nearly enough time to analyze whether these new laws will have a positive or negative effect on the industry and already in the name of more reform we are looking to pass another complete paradigm shift. The unintended side effect continues to be more and more firms electing not to perform work in the public market. This is costing taxpayers. We cannot afford to continue to pass laws in a vacuum that profoundly penalize an industry so vital to our every aspect of our state.

We urge you to say NO to SB 1428.

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