

Kevin R. Hennessy
Staff Attorney
Connecticut Business & Industry Association
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CBIA opposes **SB 1428**, *An Act Concerning Fraud Against the State*.

Essentially, **SB 1428** is a "False Claims Act." CBIA is opposed to a state False Claims Act because such acts are easily abused in unintended ways. For example, if Connecticut enacts a False Claims Act, the following events might occur:

- State contracts will be more expensive because there will be a lack of competition due to fewer bidders and actual bidders will have to incorporate the potential cost of merit less False Claims actions into their bids;
- Current state contractors could be forced out of business based on merit less False Claims Acts and jobs could be lost.

CBIA does not support contractors that submit false claims to the government. However, adopting **SB 1428** will have unintended consequences. For example, the rewards for whistleblowers will encourage the filing of fraudulent False Claims. The incentive for abuse poses a real danger to even the most scrupulous business. Established and reputable businesses with a history of providing quality work could be subject to unfounded claims.

Additionally, companies making long-term commitments will likely avoid markets where False Claims Act abuse creates insurmountable exposure to prolonged investigations and litigation, public humiliation and possible suspension and debarment from government contracting.

The unintended consequences of a state False Claims Act will unfairly place a significant burden on legitimate businesses. Connecticut already has a reformed statutory scheme for investigations and civil actions by the Attorney General and investigations and hearings by the Office of State Ethics. Additionally, sanctions for defrauding the state and penalties for criminal fraud under the jurisdiction of the Chief States Attorney are also available. Adopting a state False Claims act is unnecessary.

For the aforementioned reasons, CBIA urges the members of the Government Administration and Elections Committee to reject **SB 1428**.

Thank you for the opportunity to voice CBIA's concerns and comments.