



## Connecticut Subcontractors Association

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### House Bill 6299, An Act Concerning Fraud Against the State Government Administration & Elections Committee February 2, 2009

#### CSA Position: OPPOSED

The Connecticut Subcontractors Association, Inc. (CSA) represents both union and non-union subcontractors and is committed to working with the construction community as a whole, to improve and promote the construction process in the state. CSA has been actively engaged in state contracting reform and supports efforts to reform state contracting. CSA seeks to ensure that the integrity of the contracting reform effort is preserved and continues in a positive direction for all.

CSA is opposed to House Bill 6299, An Act Concerning Fraud Against the State, and respectfully requests that the Government Administration & Elections Committee not act on the bill. House Bill 6299 is a state false claims act, which most would agree is an imperfect statute. If enacted, HB 6299 will impose the specter of treble damages and high penalties on transactions in the government marketplace, and will virtually guarantee a dramatic increase in lawsuits asserted against innocent persons, *even if* a false claim is not committed.

Under House Bill 6299, any person who has been found to have submitted a false or fraudulent claim for payment or approval to the state – or even an incorrect claim – is subject to a civil penalty of up to \$10,000, plus three times the amount of the state's damages, and all costs for investigation and prosecution of any civil action brought by the state. The bill permits *qui tam* actions, that is, lawsuits brought by private informants in the name of the government charging false claims on the part of persons who are alleged to have improperly received or used public funds.

House Bill 6299 should be rejected by the committee because it can easily be used in unintended ways for improper purposes. Under the bill, every company and organization that works under a state-funded contract or seeks state reimbursement is potentially subject to lawsuits comprised of aggressively asserted positions under a growing number of legal theories that stretch the boundaries of the Act. House Bill 6299 is not in the interest of the State or its citizens. Nor is it in the interest of the businesses that are partners with the State, or organizations that operate under state grants.

If you have any questions or for additional information, please contact Bill Flynn at (860) 549-2822.

Respectfully, William J Flynn Jr.  
President