

GEORGE C. JEPSEN
ATTORNEY GENERAL



55 Elm Street
P.O. Box 120
Hartford, CT 06141-0120

Office of The Attorney General
State of Connecticut

TESTIMONY OF
ATTORNEY GENERAL GEORGE JEPSEN
BEFORE THE APPROPRIATIONS COMMITTEE
MARCH 14, 2014

Good afternoon, Senator Bye, Representative Walker and distinguished members of the Appropriations Committee. I appreciate the opportunity to offer testimony in support of Senate Bill No. 22, An Act Concerning the Prevention of Fraud in Government Programs.

It is a fact that the Federal False Claims Act is the federal government's most powerful tool to fight fraud and recover taxpayer funds. In fact, the effectiveness of the federal law was a prime catalyst in spurring other federal agencies, a majority of states and a number of municipalities to enact similar laws to fight fraud perpetrated against their public programs. The Federal False Claims Act is a particularly effective tool for fighting fraud because it incentivizes whistleblowers to report fraud through relator provisions that, under certain circumstances, enable such individuals to share in the government's recovery of taxpayer dollars obtained fraudulently by government contractors and others. It also serves as an effective deterrent against fraud because it provides for treble damages against those who defraud the government.

Connecticut's False Claims Act is patterned in large part to mirror the federal act. The Act's reach, however, is currently limited to medical assistance programs administered by the Department of Social Services. As a practical matter, this limits the law to the investigation and prosecution of civil claims for fraud and abuse perpetrated against Connecticut's Medicaid program. To be sure, this is a vital mission: the Medical Assistance Program accounts for a significant percentage of our annual budget and provides critical health care services to Connecticut's lower income and most vulnerable residents. The current version of the Act has greatly enhanced the ability of DSS and my Office to recover taxpayer funds diverted from the important services for which they were originally intended and has enabled DSS to continue providing high quality medical services to Medical Assistance Program recipients.

The Medicaid program, however, is just one of many state-funded health and human services programs providing important services to Connecticut residents. State health and human services agencies make a wide variety of payments to private entities for the purpose of providing valuable services through grants or contracts administered by DCF, DMHAS, DPH and the other state agencies delineated in SB 22.

These state programs and the taxpayer dollars used to support them are too important to risk losing because the state laws currently on the books are insufficient to detect and deter those who would steal from them. That is why I am here today to support SB 22. If passed, the bill

will expand the scope of our current False Claims Act and enable my office to use the powerful tools provided for under the Act to investigate, recover against and deter fraudulent and abusive schemes committed against a broad array of state-administered and taxpayer-funded health and human services programs.

I thank the committee for this opportunity to provide my input and respectfully request that the committee take favorable action on the Governor's bill. I am available to answer any questions you may have.