



General Assembly

**Amendment**

January Session, 2023

LCO No. 7574



Offered by:

REP. BLUMENTHAL, 147<sup>th</sup> Dist.

SEN. FLEXER, 29<sup>th</sup> Dist.

To: House Bill No. 6826

File No. 283

Cal. No. 192

**"AN ACT CONCERNING LIABILITY FOR FALSE AND FRAUDULENT CLAIMS."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Section 4-274 of the general statutes is repealed and the  
4 following is substituted in lieu thereof (*Effective July 1, 2023*):

5 As used in this section and section 4-275, as amended by this act:

6 (1) "Knowing" and "knowingly" means that a person, with respect to  
7 information: (A) Has actual knowledge of the information; (B) acts in  
8 deliberate ignorance of the truth or falsity of the information; or (C) acts  
9 in reckless disregard of the truth or falsity of the information, without  
10 regard to whether the person intends to defraud;

11 (2) "Claim" (A) means any request or demand, whether under a  
12 contract or otherwise, for money or property and whether or not the  
13 state has title to the money or property, that (i) is presented to an officer,

14 employee or agent of the state, or (ii) is made to a contractor, grantee or  
15 other recipient, if the money or property is to be spent or used on the  
16 state's behalf or to advance a state program or interest, and if the state  
17 provides or has provided any portion of the money or property that is  
18 requested or demanded, or if the state will reimburse such contractor,  
19 grantee or other recipient for any portion of the money or property that  
20 is requested or demanded, and (B) does not include a request or demand  
21 for money or property that the state has paid to an individual as  
22 compensation for state employment or as an income subsidy with no  
23 restrictions on that individual's use of the money or property;

24 (3) "Person" means any natural person, corporation, limited liability  
25 company, firm, association, organization, partnership, business, trust or  
26 other legal entity;

27 (4) "State" means the state of Connecticut, any agency or department  
28 of the state or any quasi-public agency, as defined in section 1-120;

29 (5) "Obligation" means an established duty, whether fixed or not,  
30 arising from (A) an express or implied contractual, grantor-grantee or  
31 licensor-licensee relationship, (B) a fee-based or similar relationship, (C)  
32 statute or regulation, or (D) the retention of an overpayment; and

33 (6) "Material" means having a natural tendency to influence, or be  
34 capable of influencing, the payment or receipt of money or property. ];  
35 and

36 (7) "State-administered health or human services program" means  
37 programs administered by any of the following: The Department of  
38 Children and Families, the Department of Developmental Services, the  
39 Department of Mental Health and Addiction Services, the Department  
40 of Public Health, the Department of Aging and Disability Services, the  
41 Department of Social Services, the Office of Early Childhood, and the  
42 Office of the State Comptroller, for the State Employee and Retiree  
43 Health programs, as well as other health care programs administered  
44 by the Office of the State Comptroller, and the Department of  
45 Administrative Services, for Workers' Compensation medical claims,

46 including such programs reimbursed in whole or in part by the federal  
47 government.]

48 Sec. 2. Section 4-275 of the general statutes is repealed and the  
49 following is substituted in lieu thereof (*Effective July 1, 2023*):

50 (a) No person shall:

51 (1) Knowingly present, or cause to be presented, a false or fraudulent  
52 claim for payment or approval; [under a state-administered health or  
53 human services program;]

54 (2) Knowingly make, use or cause to be made or used, a false record  
55 or statement material to a false or fraudulent claim; [under a state-  
56 administered health or human services program;]

57 (3) Conspire to commit a violation of this section;

58 (4) Having possession, custody or control of property or money used,  
59 or to be used, by the state, [relative to a state-administered health or  
60 human services program,] knowingly deliver, or cause to be delivered,  
61 less property than the amount for which the person receives a certificate  
62 or receipt;

63 (5) Being authorized to make or deliver a document certifying receipt  
64 of property used, or to be used, by the state [relative to a state-  
65 administered health or human services program] and intending to  
66 defraud the state, make or deliver such document without completely  
67 knowing that the information on the document is true;

68 (6) Knowingly buy, or receive as a pledge of an obligation or debt,  
69 public property from an officer or employee of the state [relative to a  
70 state-administered health or human services program, who lawfully]  
71 who may not lawfully sell or pledge the property;

72 (7) Knowingly make, use or cause to be made or used, a false record  
73 or statement material to an obligation to pay or transmit money or  
74 property to the state; [under a state-administered health or human

75 services program;] or

76 (8) Knowingly conceal or knowingly and improperly avoid or  
77 decrease an obligation to pay or transmit money or property to the state,  
78 [under a state-administered health or human services program.]

79 (b) Any person who violates the provisions of subsection (a) of this  
80 section shall be liable to the state for: (1) A civil penalty of not less than  
81 five thousand five hundred dollars or more than eleven thousand  
82 dollars, or as adjusted from time to time by the federal Civil Penalties  
83 Inflation Adjustment Act of 1990, 28 USC 2461, (2) three times the  
84 amount of damages that the state sustains because of the act of that  
85 person, and (3) the costs of [investigation and] prosecution of such  
86 violation. Liability under this section shall be joint and several for any  
87 violation of this section committed by two or more persons.

88 (c) Notwithstanding the provisions of subsection (b) of this section  
89 concerning treble damages, if the court finds that: (1) A person  
90 committing a violation of subsection (a) of this section furnished  
91 officials of the state responsible for investigating false claims violations  
92 with all information known to such person about the violation not later  
93 than thirty days after the date on which the person first obtained the  
94 information; (2) such person fully cooperated with an investigation by  
95 the state of such violation; and (3) at the time such person furnished the  
96 state with the information about the violation, no criminal prosecution,  
97 civil action or administrative action had commenced under sections 4-  
98 276 to 4-280, inclusive, as amended by this act, with respect to such  
99 violation, and such person did not have actual knowledge of the  
100 existence of an investigation into such violation, the court may assess  
101 not less than two times the amount of damages which the state sustains  
102 because of the act of such person. Any information furnished pursuant  
103 to this subsection shall be exempt from disclosure under section 1-210.

104 (d) In any civil action, arbitration or other civil proceeding in which  
105 the state is a defendant, the state shall not assert a counterclaim, set-off  
106 or defense alleging a violation of this section.

107 (e) The provisions of this section shall not apply to any claim, record  
108 or statement made under any tax law administered by this state or a  
109 political subdivision of this state.

110 Sec. 3. Section 4-276 of the general statutes is repealed and the  
111 following is substituted in lieu thereof (*Effective July 1, 2023*):

112 The Attorney General may, within available appropriations,  
113 investigate any violation of subsection (a) of section 4-275, as amended  
114 by this act. Any information obtained pursuant to such an investigation  
115 shall be exempt from disclosure under section 1-210. If the Attorney  
116 General finds that a person has violated or is violating any provision of  
117 subsection (a) of section 4-275, as amended by this act, the Attorney  
118 General may bring a civil action in the superior court for the judicial  
119 district of Hartford under this section in the name of the state against  
120 such person."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	4-274
Sec. 2	<i>July 1, 2023</i>	4-275
Sec. 3	<i>July 1, 2023</i>	4-276