

# Government Administration and Elections Committee

## JOINT FAVORABLE REPORT

**Bill No.:** HB-6826

**Title:** AN ACT CONCERNING LIABILITY FOR FALSE AND FRAUDULENT CLAIMS.

**Vote Date:** 3/15/2023

**Vote Action:** Joint Favorable

**PH Date:** 3/6/2023

**File No.:**

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

### SPONSORS OF BILL:

Government Administration and Elections Committee

### REASONS FOR BILL:

To expand the scope of the Attorney General's authority to include all government contractors which will provide more oversight and protect against fraud and abuse.

### RESPONSE FROM ADMINISTRATION/AGENCY:

**William Tong, Attorney General, Office of the Attorney General** explained that Connecticut has one of the most restrictive False Claims Acts in the country. He explained that our neighboring states have had great success in retrieving fraudulent money. He explained that while the majority of government contractors uphold our values, no government program is immune from fraud and abuse.

### NATURE AND SOURCES OF SUPPORT:

**Keith Brothers, President, CT State Building Trades** explained that this bill would help protect works who are the victims of Prevailing Wage Law violations.

**Bonnie Stewart, CEO, CTCPA** expressed support for the bill but offered a slight language change to emphasize the importance of a clear line between the AG and DRS: "Section 2(d): The provisions of this section shall not apply to any claim, record, or statement made or presented relative to the payment of any [STATE OR LOCAL] tax [MATTER] to the state."

\*underline indicates deleted language and brackets indicate additions

**Kimberly Glassman, Joseph Toner, and Ed Hawthorne** also expressed their support in protecting workers against misclassification.

#### **NATURE AND SOURCES OF OPPOSITION:**

**Wyatt Bosworth, Assistant Counsel, CBIA** expressed appreciation for not including tax laws and leaving that to DRS, he also expressed their understanding to wanting to prevent fraud and abuse. The issue they had with the bill was allowing private litigants to bring suits against anyone who does business with the state. Paired with the low standard of proof and severe penalties, they feel this may negatively impact innocent businesses. He said that if the committee is not willing to remove that, then they should allow for businesses who successfully defend themselves to counter sue for costs and damages. He also noted that this comes at a time where businesses are still suffering from the affects of COVID.

**John Butts, Executive Director, AGC of Connecticut** echoed the above while also emphasizing that even the most frivolous claims can be very costly to defend, and he believes that this bill creates an environment that encourages frivolous claims.

The following people cited similar reasons for support:

**Kathleen Cloud**  
**William Cunningham**  
**Donald Doeg**  
**Michael Donnelly**  
**Catherine Flaherty**  
**Christopher Fryxell**  
**Ronald Perry**  
**Don Shubert**

**Reported by: Jonathan Lukasiewicz**

**Date: 3/15/2023**