



General Assembly

January Session, 2023

**Raised Bill No. 6826**

LCO No. 4125



Referred to Committee on GOVERNMENT  
ADMINISTRATION AND ELECTIONS

Introduced by:  
(GAE)

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

Be it enacted by the Senate and House of Representatives in General Assembly convened:

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 Section 4-274 of the general statutes is repealed and the  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

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

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

9 (2) "Claim" (A) means any request or demand, whether under a  
10 contract or otherwise, for money or property and whether or not the  
11 state has title to the money or property, that (i) is presented to an  
12 officer, employee or agent of the state, or (ii) is made to a contractor,  
13 grantee or other recipient, if the money or property is to be spent or

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

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

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

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

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

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

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

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

49 (a) No person shall:

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

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

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

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

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

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

71 (7) Knowingly make, use or cause to be made or used, a false record  
72 or statement material to an obligation to pay or transmit money or

73 property to the state; [under a state-administered health or human  
74 services program;] or

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

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

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

103 (d) The provisions of this section shall not apply to any claim,  
104 record or statement made or presented relative to the payment of any

105 tax to the state.

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

**GAE**      *Joint Favorable*