



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 Section 4-274 of the general statutes is repealed and the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) acts
7 in reckless disregard of the truth or falsity of the information, without
8 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 officer,
12 employee or agent of the state, or (ii) is made to a contractor, grantee or
13 other recipient, if the money or property is to be spent or used on the

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

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

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

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

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

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

45 government.]

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

48 (a) No person shall:

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

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

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

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

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

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

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

73 services program;] or

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

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

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

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

APP *Joint Favorable*