



NEWS RELEASE

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False Claims Act would give Colorado an essential tool to combat fraud

Colorado has a chance to crack down on contractors who try to defraud the public, and increase the state's benefit from federal fraud prosecutions, if lawmakers approve House Bill 10-1357.

The measure, sponsored by Rep. Buffie McFadyen, D-Pueblo West, and Rep. Joel Judd, D-Denver, would create a False Claims Act for Colorado that would work in concert with a federal law of the same name. If lawmakers approve the measure, Colorado would join 11 other states that have taken steps to prevent fraud by government contractors and protect whistleblowers.

"Colorado residents want their government to be accountable to the people, and the False Claims Act would help advance that goal," Rep. McFadyen said.

Key facts about Colorado's False Claims Act:

- Anyone who knowingly submits a false claim to the government, such as for reimbursement for health care expenses under the Medicaid program, would be liable for up to three times the amount of the damages, plus court costs and civil penalties of up to \$10,000 per claim.
- Whistleblowers who call fraud to the government's attention could be awarded a portion of the funds recovered.
- By adopting the act, Colorado would qualify to increase its share of awards in federal fraud cases by 10 percent. Colorado's Legislative Council estimates this provision would result in increased fraud awards of up to \$800,000 per year.

"We're hiring the people of Colorado to protect our state. The rules have changed. Stop fraud – bounty paid," Rep. Judd said.

Other states have reaped financial benefits and increased accountability from adopting similar False Claims Acts. According to the Taxpayers Against Fraud Education Fund, they include California, Delaware, Florida, Hawaii, Illinois, Louisiana, Massachusetts, Nevada, New Mexico, Tennessee, Texas and Virginia, plus the District of Columbia, New York City and Chicago.

House Bill was introduced March 4 and is scheduled for a hearing in the House Judiciary Committee at 1:30 p.m. March 18. The bill's other House sponsors include Reps. Terrance Carroll and Glenn Vaad. Its Senate sponsors include Sens. Chris Romer, Betty Boyd and Shawn Mitchell.

The Colorado Center on Law and Policy is a nonprofit, nonpartisan research and advocacy organization seeking justice and economic security for all Coloradans.