

2019 -- H 5924

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO COURTS AND CIVIL PROCEDURE--PROCEDURES GENERALLY -- THE
STATE FALSE CLAIM ACT

Introduced By: Representative Shelby Maldonado

Date Introduced: March 28, 2019

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 9-1.1-3 of the General Laws in Chapter 9-1.1 entitled "The State
2 False Claim Act" is hereby amended to read as follows:

3 **9-1.1-3. Liability for certain acts.**

4 (a) Any person who:

5 (1) Knowingly presents, or causes to be presented, a false or fraudulent claim for
6 payment or approval;

7 (2) Knowingly makes, uses, or causes to be made or used, a false record or statement
8 material to a false or fraudulent claim;

9 (3) Conspires to commit a violation of subsection (a)(1), (a)(2), (a)(4), (a)(5), (a)(6), or
10 (a)(7);

11 (4) Has possession, custody, or control of property or money used, or to be used, by the
12 state and knowingly delivers, or causes to be delivered, less property than all of that money or
13 property;

14 (5) Is authorized to make or deliver a document certifying receipt of property used, or to
15 be used, by the state and, intending to defraud the state, makes or delivers the receipt without
16 completely knowing that the information on the receipt is true;

17 (6) Knowingly buys, or receives as a pledge of an obligation or debt, public property
18 from an officer or employee of the state, or a member of the guard, who lawfully may not sell or

1 pledge the property; or

2 (7) Knowingly makes, uses, or causes to be made or used, a false record or statement
3 material to an obligation to pay or transmit money or property to the state, or knowingly conceals
4 or knowingly and improperly avoids or decreases an obligation to pay or transmit money or
5 property to the state; is liable to the state for a civil penalty in an amount equal to the civil penalty
6 set forth in the Federal False Claims Act, following the Federal Civil Penalties Inflation
7 Agreement Act of 1990 (31 U.S.C. § 3729(a)), Pub. L. No. 101-410 section 5, 104 Stat. 891, note
8 following 28 U.S.C. § 2461, as amended and annually adjusted by the Federal Civil Penalties
9 Inflation Adjustment Improvements Act of 2015, plus three (3) times the amount of damages the
10 state sustains because of the act of that person. A person violating this subsection (a) shall also be
11 liable to the state for the costs of a civil action brought to recover any penalty or damages.

12 (b) Definitions. For purposes of this section:

13 (1) "Claim" means any request or demand, whether under a contract or otherwise, for
14 money or property and whether or not the state has title to the money or property, that:

15 (i) Is presented to an officer, employee, or agent of the state; or

16 (ii) Is made to a contractor, grantee, or other recipient, if the money or property is to be
17 spent or used on the state's behalf or advance a state program or interest, and if the state:

18 (A) Provides or has provided any portion of the money or property requested or
19 demanded; or

20 (B) Will reimburse the contractor, grantee, or other recipient for any portion of the money
21 or property that is requested or demanded; and

22 (iii) Does not include requests or demands for money or property that the state has paid to
23 an individual as compensation for state employment or as an income subsidy with no restrictions
24 on that individual's use of the money or property;

25 (2) "Knowing" and "knowingly"

26 (i) ~~Means~~ means that a person with respect to information:

27 ~~(A)~~ Has actual knowledge of the information;

28 ~~(B)~~ Acts in deliberate ignorance of the truth or falsity of the information; or

29 ~~(C)~~ Acts in reckless disregard of the truth or falsity of the information; and

30 ~~(ii)~~ Requires no proof of specific intent to defraud;

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

33 (4) "Obligation" means an established duty, whether or not fixed, arising from an express
34 or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or

1 similar relationship, from statute or regulation, or from the retention of any overpayment.

2 (c) Exclusion. This section does not apply to claims, records, or statements made under
3 the Rhode Island personal income tax law contained in chapter 30 of title 44.

4 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO COURTS AND CIVIL PROCEDURE--PROCEDURES GENERALLY -- THE
STATE FALSE CLAIM ACT

- 1 This act would make a change to the meaning of the words "knowing" and "knowingly"
- 2 in the state false claim act.
- 3 This act would take effect upon passage.

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