

HOUSE BILL ANALYSIS

HB 2845

Title: An act relating to false claims against the government.

Brief Description: Enacting the Washington state false claims act.

Sponsors: Representatives Constantine, Clements, Dickerson, Ogden and Anderson.

House Select Committee on Vendor Contracting & Services

Bill Analysis Prepared By: Josh Weiss (786-7292)

Background: With the exception of those remedies found under unconsolidated subject-matter oriented civil fraud laws, and the common law of torts, state law does not currently provide a civil remedy for false claims made against the government. In addition, there are no provisions allowing individuals to bring a civil false claim action on behalf of the government.

The federal government passed a false claims act in 1863. Since its amendment in 1986, it has been used extensively to recover significant amounts of federal money.

Summary: Mirroring the federal false claims act, HB 2845 would encourage the reporting, investigation, and prosecution of false claims made against state government. Any person who knowingly causes a false claim to be presented to a governmental entity which causes over \$1000 worth of damage (a wrongful act–), may be liable for a civil penalty of \$5000 to \$10,000, treble damages, and costs. A false claim is any request or demand for money or property made to the government, whether the state or a local political subdivision, that contains or is based upon a materially incorrect fact, statement, representation, or record.

Authorized attorneys of the state are required to investigate wrongful acts, and may bring a civil suit where a person committed a wrongful act. An individual may bring a suit on behalf of the government, and is allowed to recover between 15 to 30 percent of a court award. A governmental entity may elect to intervene in a suit brought by an individual, but is not required to do so. An individual who initiates a civil action, or aids in an investigation of a false claim is given whistleblower–protection as under RCW 49.60.

Fiscal Note: Requested January 28, 1998.

Effective Date: Ninety days after adjournment of session in which bill is passed.

