

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended, Be Printed Engrossed and Rescind the Subsequent Referral to Ways and Means.
Vote: 9 - 0 - 1
Yeas: Barton, Cameron, Garrett, Olson, Shields, Smith J., Stiegler, Whisnant, Barker
Nays: 0
Exc.: Krieger
Prepared By: Shannon Sivell, Counsel
Meeting Dates: 2/16, 4/16, 4/17

WHAT THE MEASURE DOES: Authorizes civil actions against persons who bring false claims and receive benefits from a state agency or otherwise knowingly defraud a state agency. Creates False Claims Recovery Revolving Account in General Fund to support the Department of Justice in pursuing actions to recover amounts paid for fraudulent claims. Clarifies definition of “claims” and clarifies the possible penalty for bringing a false claim.

ISSUES DISCUSSED:

- Types of false claims
- Target offenders = repeat false claimants
- Companies overcharging the state
- Accidental vs. intentional overcharging
- Impediments to prosecuting false claims
- Treble damages
- Federal counterpart

EFFECT OF COMMITTEE AMENDMENT: Clarifies definition of “claims,” the statute of limitations and the possible penalty for bringing a false claim.

BACKGROUND: Creates a civil cause of action in cases where a person has made a fraudulent claim for benefits, property, money or services from the State of Oregon. Provides that an attempt to repay amounts obtained in violation of the statute or lack of payment on the part of the state is NOT a defense to making a false claim. An action must be brought within three years from the time the state agency knew of, or reasonably should have discovered, the fraud. In no event may an action be brought more than 10 years after the date on which the violation was committed. Penalties levied by a court include the greater of \$10,000 for each violation or an amount equal to twice the damages incurred for each violation.