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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

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MEMORANDUM

TO: All House Members

FROM: Representative Michael F. Gerber *MFG*

DATE: December 22, 2010

SUBJECT: Co-sponsorship: Pennsylvania False Claims Act

In the near future, I plan to offer legislation that would create Pennsylvania's False Claims Act, a measure designed to significantly reduce waste, fraud and abuse in state government.

As you may recall, I introduced similar bi-partisan legislation last session, which passed the House Health and Human Services Committee in June. A list of co-sponsors can be found below.

False Claim statutes permit whistle-blowers who discover the theft of state dollars to sue wrongdoers to recover stolen funds for the state. While a federal False Claims Act is on the books, the federal government enacted a financial incentive program designed to encourage states to enact their own versions, with the primary purpose of helping to reduce Medicaid fraud at the state level. More than 28 states now have a false claims act. Pennsylvania is not one of them.

Like false claims acts enacted in other states, this legislation would provide our state government with an added revenue source during a difficult budget year, reward and protect whistle-blowers and punish those who steal taxpayer dollars through fraudulent contracts.

Accordingly, passing this legislation would benefit Pennsylvania in three ways: (1) deterring fraud committed against the state and state programs such as Medicaid; (2) creating a new and significant revenue source for the state in the form of recovered losses and other damages; and, (3) making Pennsylvania eligible for the federal financial incentive program.

As a brief example of just how important this legislation can be, state and federal governments have collected roughly \$7 billion in damages since the year 2000, with the largest case settling in 2006 for \$900 million.

If you would like to co-sponsor this new legislation, please contact Melanie Brown at mabrown@pahouse.net or by calling her at 717-787-9475. Thank you.

Previous co-sponsors of HB 1679:

Eachus, Payton, Belfanti, Beyer, Boyle, Brennan, Briggs, Daley, Frankel, Freeman, Geist, Gibbons, Goodman, Harper, Harris, Hennessey, Hornaman, Josephs, Killion, Kirkland, Kortz, Kula, Lentz, Longietti, Mahoney, Manderino, Mann, Mcgeehan, Melio, Milne, Moul, Mundy, Murt, Mustio, M. O'brien, Pallone, Pashinski, Quinn, Santarsiero, Siproth, K. Smith, M. Smith, Solobay, J. Taylor, Vulakovich, Walko, Watson, White, Dermody and Marshall