

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 2352** Session of
2020

INTRODUCED BY GROVE, KAUFER, GAYDOS, OWLETT, SANKEY, THOMAS,
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MAY 21, 2020

AS REPORTED FROM COMMITTEE ON HUMAN SERVICES, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 9, 2020

AN ACT

1 Amending the act of June 13, 1967 (P.L.31, No.21), entitled "An
2 act to consolidate, editorially revise, and codify the public
3 welfare laws of the Commonwealth," providing for liability
4 for false claims, for adoption of congressional intent of the
5 Federal False Claims Act, for damages, costs and civil
6 penalties, for powers of Attorney General and for civil
7 investigative demands.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. The act of June 13, 1967 (P.L.31, No.21), known
11 as the Human Services Code, is amended by adding an article to
12 read:

13 ARTICLE XIV-D

14 LIABILITY FOR FALSE CLAIMS

15 (a) Preliminary Provisions

16 Section 1401-D. Short title.

17 This article shall be known and may be cited as the
18 Commonwealth Fraud Prevention Act.

19 Section 1402-D. Definitions.

1 The following words and phrases when used in this article
2 shall have the meanings given to them in this section unless the
3 context clearly indicates otherwise:

4 "Claim." As follows:

5 (1) A request or demand for money or property, whether
6 under contract or otherwise and regardless of whether the
7 Commonwealth has title to the money or property that is
8 presented, submitted or otherwise made to:

9 (i) An employee, officer or agent of the
10 Commonwealth.

11 (ii) A contractor, grantee or other recipient, and
12 any portion of the money or property will be spent or
13 used on the Commonwealth's behalf or to advance a program
14 or interest of the Commonwealth, and the Commonwealth:

15 (A) provides or has provided any portion of the
16 money or property requested or demanded; or

17 (B) will reimburse the contractor, grantee or
18 other recipient for any portion of the money or
19 property that is requested or demanded.

20 (2) The term does not include requests or demands for
21 money or property that the Commonwealth has paid to an
22 individual as compensation for employment or as an income
23 subsidy with no restrictions on the individual's use of the
24 money or property.

25 (3) To the extent it is not connected to a request or
26 demand for money or property, a filing with the Commonwealth
27 pursuant to the Commonwealth's insurance laws shall not
28 constitute a claim.

29 "Knowingly." As follows:

30 (1) Whenever a person, with respect to information, does

1 any of the following:

2 (i) Has actual knowledge of the information.

3 (ii) Acts in deliberate ignorance of the truth or
4 falsity of the information.

5 (iii) Acts in reckless disregard of the truth or
6 falsity of the information.

7 (2) Proof of specific intent to defraud is not required.

8 "Legal claim." A claim for relief at law or equity, whether
9 contemplated or asserted, including any claim, demand, account,
10 note or any other cause of action or liability.

11 "Material." A natural tendency to influence, or be capable
12 of influencing, the payment or receipt of money or property.

13 "Obligation." An established duty, whether or not fixed,
14 arising from any of the following:

15 (1) An express or implied contractual relationship.

16 (2) An express or implied grantor-grantee relationship.

17 (3) An express or implied licensor-licensee
18 relationship.

19 (4) A fee-based or similar relationship.

20 (5) A statute or regulation.

21 (6) The retention of an overpayment.

22 "Official use." A use that is consistent with the law and
23 the regulations and policies of the Office of Attorney General,
24 including the following:

25 (1) Use in connection with internal memoranda and
26 reports.

27 (2) Communications between the Office of Attorney
28 General and a Federal, State or local government agency or a
29 contractor of a Federal, State or local government agency,
30 undertaken in furtherance of an investigation or prosecution

1 of an action.

2 (3) Interviews of a whistleblower or other witness.

3 (4) Oral examinations.

4 (5) Depositions.

5 (6) Preparation for and response to civil discovery
6 requests.

7 (7) Introduction into the record of an action or
8 proceeding.

9 (8) Applications, motions, memoranda and briefs
10 submitted to a court or other tribunal.

11 (9) Communications with investigators, auditors,
12 consultants and experts, the counsel of other parties,
13 arbitrators and mediators, concerning an investigation,
14 action or proceeding.

15 "Original information." Either of the following:

16 (1) Information voluntarily disclosed to the Office of
17 Attorney General, prior to a public disclosure, on which the
18 allegations or transactions in a claim are based.

19 (2) Information that is independent of and materially
20 adds to publicly disclosed allegations or transactions.

21 "Person." A natural person, corporation, firm, association,
22 organization, partnership, limited liability company, business,
23 trust, business trust, estate or foundation.

24 "Public disclosure." Disclosure of substantially the same
25 allegations or transactions as alleged by a whistleblower, made
26 in any of the following:

27 (1) The news media.

28 (2) A criminal, civil or administrative hearing in which
29 the Commonwealth is or was a party.

30 (3) A Federal, State or local legislative or other

1 governmental report, hearing, audit or investigation.
2 "Whistleblower." An individual who furnishes the Office of
3 Attorney General with information concerning a violation of
4 section 1411-D.

5 (b) False Claims
6 Section 1411-D. Acts subjecting persons to liability and
7 damages.

8 (a) Liability.--Except as provided in subsection (b), a
9 person who commits any of the following acts shall be liable to
10 the Commonwealth for three times the amount of damages that the
11 Commonwealth sustains because of the act of that person plus,
12 subject to subsection (d), a civil penalty of \$8,000 for each
13 violation:

14 (1) Knowingly presents or causes to be presented a false
15 or fraudulent claim for payment or approval.

16 (2) Knowingly makes, uses or causes to be made or used,
17 a false record or statement material to a false or fraudulent
18 claim.

19 (3) Has possession, custody or control of property or
20 money used or to be used by the Commonwealth and knowingly
21 delivers or causes to be delivered less than all of the money
22 or property.

23 (4) Is authorized to make or deliver a document
24 certifying receipt of property used or to be used by the
25 Commonwealth and, intending to defraud the Commonwealth,
26 makes or delivers a receipt without completely knowing that
27 the information on the receipt is true.

28 (5) Knowingly buys or receives as a pledge of an
29 obligation or debt, public property from an officer or
30 employee of the Commonwealth who lawfully may not sell or

1 pledge the property.

2 (6) Knowingly makes, uses or causes to be made or used,
3 a false record or statement material to an obligation to pay
4 or transmit money or property to the Commonwealth or
5 knowingly conceals, or knowingly and improperly avoids or
6 decreases an obligation to pay or transmit money or property
7 to the Commonwealth.

8 (7) Knowingly fails to disclose a fact, event or
9 occurrence material to an obligation to pay or transmit money
10 or property to the Commonwealth.

11 (8) Is a beneficiary of an inadvertent submission of a
12 false claim, subsequently discovers the falsity of the claim
13 and fails to disclose the false claim to the Commonwealth
14 within a reasonable time after discovery of the false claim.

15 (9) Conspires to commit a violation of paragraph (1),
16 (2), (3), (4), (5), (6), (7) or (8).

17 (b) Safe harbor and limitation of damages.--

18 (1) Notwithstanding subsection (a), a person violating
19 this section shall not be subject to more than one time the
20 amount of damages under subsection (a) if all of the
21 following apply:

22 (i) The person committing the violation furnished
23 the Office of Attorney General with all information known
24 to that person about the violation within 30 days after
25 the date on which the person first obtained the
26 information.

27 (ii) The person fully cooperated with an
28 investigation by the Commonwealth.

29 (iii) At the time the person furnished the Office of
30 Attorney General with information about the violation, no

1 criminal prosecution, civil action or administrative
2 action had commenced with respect to the violation, and
3 the person did not have actual knowledge of the existence
4 of an investigation into the violation.

5 (iv) Under terms that the Attorney General specifies
6 or to which the Attorney General otherwise agrees, the
7 person pays the Commonwealth for the total amount of
8 damages that the Commonwealth sustained as a result of
9 the violation, plus applicable civil penalties under
10 subsection (a) and the Commonwealth's costs under
11 subsection (c).

12 (2) This subsection shall not be construed to:

13 (i) limit the Attorney General's authority and
14 discretion to investigate a violation of, or prosecute or
15 settle an action brought under, section 1412-D; or

16 (ii) restrict the terms of a settlement respecting a
17 violation of section 1412-D.

18 (c) Commonwealth costs.--A person liable for damages or
19 penalties under subsection (a) shall also be liable to the
20 Commonwealth for the reasonable costs of investigating and
21 prosecuting violations specified under subsection (a) ~~or (b)~~, <--
22 including reasonable costs to the Office of Attorney General
23 and, if applicable, a district attorney designated under section
24 1412-D(a) (2).

25 (d) Adjustment of penalties.--The civil penalties payable
26 under subsection (a) shall be adjusted from time to time
27 consistent with the Federal Civil Penalties Inflation Adjustment
28 Act of 1990 (Public Law 101-410, 28 U.S.C. § 2461 note, as
29 amended).

30 (e) Exemption from disclosure.--Information furnished under

1 subsection (b) shall be exempt from disclosure under the act of
2 February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

3 (F) RECIPIENT LIABILITY RESTRICTED.--A PERSON WHO IS A <--
4 RECIPIENT OF PUBLIC SUPPORT SERVICES SHALL NOT BE LIABLE FOR A
5 VIOLATION UNDER THIS SECTION UNLESS THE INDIVIDUAL INTENTIONALLY
6 VIOLATES SUBSECTION (A) AND BENEFITS FINANCIALLY FROM THE
7 VIOLATION.

8 Section 1412-D. Attorney General investigations, prosecutions
9 and civil actions.

10 (a) Responsibilities.--The following shall apply:

11 (1) The Attorney General shall have authority to
12 investigate a violation of section 1411-D. If the Attorney
13 General finds that a person has violated or is violating
14 section 1411-D, the Attorney General may bring a civil action
15 under this section against that person.

16 (2) The Attorney General may enter into an agreement
17 with a district attorney to designate the district attorney
18 to serve as the Attorney General's designee, investigate a
19 violation of section 1411-D and bring a civil action under
20 this section against a person that has violated or is
21 violating section 1411-D. The Attorney General at any time
22 may rescind the designation made under this paragraph.

23 (3) Nothing in section 1407 shall be construed to limit
24 the authority of the Attorney General to investigate or
25 prosecute violations under section 1411-D.

26 (b) Information provided by whistleblowers.--The following
27 shall apply:

28 (1) If the Commonwealth prosecutes an action under
29 section 1411-D based on original information furnished by a
30 whistleblower, the Attorney General may award the

1 whistleblower a portion of the proceeds of the action or
2 settlement of the legal claim, not to exceed 25% based on the
3 following factors:

4 (i) The extent to which the information
5 substantially contributed to the prosecution of the
6 action or settlement of the legal claim.

7 (ii) Whether the action is based primarily on
8 disclosures of specific information, other than
9 information provided by the whistleblower, relating to
10 allegations or transactions in a criminal, civil or
11 administrative hearing in which the Commonwealth is a
12 party or in a Federal, State or local legislative or
13 governmental report, hearing, audit or investigation, or
14 from the news media.

15 (iii) If the whistleblower planned or initiated the
16 violation.

17 (iv) Whether the whistleblower complies with
18 paragraph (2).

19 (2) If a whistleblower is a relator or qui tam plaintiff
20 in an action in another jurisdiction and the action is based
21 on or related to information that the whistleblower furnishes
22 or will furnish under this subsection, within 90 days after
23 becoming a party to the action, the whistleblower must serve
24 on the Office of Attorney General a copy of the complaint and
25 written disclosure of substantially all material evidence and
26 information that the whistleblower possesses, including all
27 material evidence and information adduced in the action.

28 (3) A whistleblower shall not be eligible to receive an
29 award under this subsection if the whistleblower planned and
30 initiated the violation of section 1411-D and is convicted of

1 criminal conduct arising from the whistleblower's role in the
2 violation. The conviction shall not prejudice the
3 Commonwealth's authority to prosecute an action under section
4 1411-D.

5 (4) To qualify for an award under this subsection, if a
6 whistleblower is an employee of a person suspected to have
7 committed a violation under section 1411-D, the whistleblower
8 must first inform the whistleblower's employer OR THE OFFICE <--
9 OF ATTORNEY GENERAL that the conduct may constitute a
10 violation under this article. A whistleblower who so informs
11 the employer shall qualify for the protections specified
12 under section 1417-D.

13 (c) Commonwealth not liable for expenses.--The Commonwealth
14 is not liable for expenses that a whistleblower incurs in
15 furnishing information described in subsection (b).

16 (d) Cooperation by agencies.--Commonwealth agencies shall
17 cooperate in the investigation and prosecution of false claims
18 under this section.

19 ~~(e) Limitations on Office of Attorney General. A person <--~~
20 ~~suspected of committing a violation under section 1411-D may not~~
21 ~~be investigated if the whistleblower associated with the~~
22 ~~suspected violation was part of one of the following:~~

23 ~~(1) A civil action taken by the United States Department~~
24 ~~of Justice for a violation under the False Claims Act (Public~~
25 ~~Law 97-258, 31 U.S.C. § 3729-3733).~~

26 ~~(2) An action taken by a qui tam plaintiff under the~~
27 ~~False Claims Act (Public Law 97-258, 31 U.S.C. § 3729-3733)~~
28 ~~that was dismissed by a court of competent jurisdiction, but~~
29 ~~only if the dismissal was based on the merits.~~

30 Section 1413-D. Civil investigative demands.

1 (a) Issuance and service.--The following shall apply:

2 (1) Whenever the Attorney General or, for the purposes
3 of this subsection, the Attorney General's designee, has
4 reason to believe that a person may be in possession, custody
5 or control of documentary material or information relevant to
6 a false claims investigation under this article, the Attorney
7 General or designee may, before commencing a civil action
8 under section 1412-D(a), issue in writing and cause to be
9 served upon the person a civil investigative demand requiring
10 the person to:

11 (i) produce documentary material for inspection and
12 copying;

13 (ii) answer in writing written interrogatories with
14 respect to documentary material or information;

15 (iii) give oral testimony concerning documentary
16 material or information; or

17 (iv) furnish any combination of materials, answers
18 or testimony.

19 (2) Whenever a civil investigative demand is an express
20 demand for a product of discovery, the Attorney General or
21 the Attorney General's designee shall:

22 (i) cause to be served in any manner authorized by
23 this subsection a copy of the demand upon the person from
24 whom or which the discovery was obtained; and

25 (ii) notify the demand issuee of the date on which
26 the copy was served.

27 ~~(3) Notwithstanding the provisions of 18 Pa.C.S. Ch. 91~~ <--
28 ~~(relating to criminal history record information) or any~~
29 ~~other law to the contrary, the Attorney General may access~~
30 ~~and share data, records, documents or other information,~~

~~including criminal history record information, intelligence information, investigative information and treatment information obtained during the course of, and as necessary to advance, an investigation or prosecution of a potential or actual violation of section 1411 D with the following:~~

~~(i) A section, unit, subunit or individual employee or agent of the Office of Attorney General authorized and designated by the Attorney General to investigate or prosecute a potential or actual violation of section 1411 D.~~

~~(ii) The United States Department of Justice.~~

~~(iii) The appropriate civil prosecutorial authority of another jurisdiction.~~

~~(4) The recipient described in paragraph (3)(i) shall be subject to the provisions of 18 Pa.C.S. Ch. 91 relating to further disclosure, dissemination and sharing of the information with noncriminal justice agencies, departments and individuals, except as may be permitted by paragraph (3)(ii) and (iii).~~

(b) Contents and deadlines.--The following shall apply:

(1) A civil investigative demand shall state the nature of the conduct constituting the alleged violation of this article that is under investigation and the applicable provisions of this article alleged to be violated.

(2) If the civil investigative demand is for the production of documentary material, the demand shall:

(i) describe each class of documentary material to be produced with definiteness and certainty as to permit the material to be fairly identified;

(ii) prescribe a return date for each class that

1 will provide a reasonable time period within which the
2 material so demanded may be assembled and made available
3 for inspection and copying; and

4 (iii) identify the false claims investigator to whom
5 the material shall be available.

6 (3) If the civil investigative demand is for answers to
7 written interrogatories, the demand shall:

8 (i) set forth with specificity the written
9 interrogatories to be answered;

10 (ii) prescribe dates at which time the answers to
11 the written interrogatories shall be submitted; and

12 (iii) identify the false claims investigator to whom
13 the answers shall be submitted.

14 (4) If the civil investigative demand is for oral
15 testimony, the demand shall:

16 (i) prescribe a date, time and place at which the
17 oral testimony shall be given;

18 (ii) identify a false claims investigator who shall
19 conduct the examination and the custodian to whom the
20 transcript of the examination shall be submitted;

21 (iii) specify that attendance and testimony are
22 necessary to the conduct of the false claims
23 investigation; and

24 (iv) describe the general purpose for which the
25 demand is being issued and general nature of the
26 testimony, including the primary areas of inquiry, which
27 will be taken under the demand.

28 (5) A civil investigative demand shall contain the
29 following statement printed at the beginning of the demand:

30 "You have the right to seek the assistance of an attorney,

1 who may represent you in all phases of the investigation of
2 which this civil investigative demand is a part."

3 (6) A civil investigative demand that is an express
4 demand for a product of discovery shall not be returned or
5 returnable until 20 days after a copy of the demand has been
6 served upon the person from whom or which the discovery was
7 obtained.

8 (7) The date prescribed for commencement of oral
9 testimony under a civil investigative demand shall not be
10 less than seven days after the date on which the demand is
11 served, unless the Attorney General or a designee determines
12 that exceptional circumstances exist and warrant the
13 commencement of testimony within a lesser time period.

14 (8) The Attorney General, or a designee, may not
15 authorize the issuance of more than one civil investigative
16 demand for the same person's oral testimony unless:

17 (i) the person requests otherwise; or

18 (ii) the Attorney General or designee notifies the
19 person in writing that an additional demand for oral
20 testimony is necessary.

21 (c) Protected material or information.--The following shall
22 apply:

23 (1) A civil investigative demand ~~issued~~ may not require <--
24 the production of documentary material, the submission of
25 answers to written interrogatories or the giving of oral
26 testimony if the material, answers or testimony would be
27 protected from disclosure under:

28 (i) the standards applicable to subpoenas or
29 subpoenas duces tecum issued by a court of this
30 Commonwealth to aid in a grand jury investigation; or

1 (ii) the standards applicable to discovery under the
2 Pennsylvania Rules of Civil Procedure or other applicable
3 court rule, to the extent that the application of the
4 standards to a demand is appropriate and consistent with
5 the provisions and purposes of this section.

6 (2) With respect to the effect on other orders, rules
7 and laws:

8 (i) Except where a statute explicitly precludes the
9 superseding effect imposed by this paragraph, a civil
10 investigative demand that is an express demand for a
11 product of discovery supersedes an inconsistent order,
12 rule or provision of law, other than in this section,
13 that prevents or restrains disclosure of the product of
14 discovery to any person.

15 (ii) A person's disclosure of a product of discovery
16 under an express demand does not constitute a waiver of
17 any right or privilege to resist discovery of trial
18 preparation materials that the person may be entitled to
19 invoke.

20 (d) Service and jurisdiction.--Except as otherwise provided,
21 the following apply to civil investigative demands issued and
22 served under this section and petitions filed under subsection
23 (j):

24 (1) The following shall apply regarding by whom served:

25 (i) A civil investigative demand may be served by a
26 false claims investigator, a law enforcement officer or
27 another individual authorized by law to serve process in
28 the jurisdiction where the demand is served.

29 (ii) A petition may be served by any person
30 authorized to serve process under the Pennsylvania Rules

1 of Civil Procedure or other applicable court rule.

2 (2) The following shall apply regarding location of
3 service:

4 (i) A civil investigative demand or petition may be
5 served upon a person or entity consistent with and in the
6 manner prescribed by 42 Pa.C.S. Ch. 53 (relating to bases
7 of jurisdiction and interstate and international
8 procedure) and the Pennsylvania Rules of Civil Procedure
9 or other applicable court rule, for personal service
10 inside or outside this Commonwealth.

11 (ii) To the extent that the courts of the
12 Commonwealth can assert jurisdiction over a person
13 outside this Commonwealth, a court with jurisdiction over
14 an action filed under this article shall have the same
15 jurisdiction to take action respecting the person's
16 compliance with this section that it would have if the
17 person resided within the court's jurisdiction.

18 (3) The following shall apply regarding service upon
19 legal entities and natural persons:

20 (i) A civil investigative demand or petition may be
21 served upon a legal entity by:

22 (A) delivering an executed copy of the demand or
23 petition to any partner, executive officer, managing
24 agent or general agent of the legal entity or to an
25 employee designated or agent authorized by
26 appointment or law to receive service of process on
27 behalf of the legal entity;

28 (B) delivering an executed copy of the demand or
29 petition to the legal entity's principal office or
30 place of business;

1 (C) depositing an executed copy of the demand or
2 petition in the United States mail by registered or
3 certified mail with a return receipt requested,
4 addressed to the legal entity at its principal office
5 or place of business; or

6 (D) any other method provided by the
7 Pennsylvania Rules of Civil Procedure or other
8 applicable court rule.

9 (ii) A civil investigative demand or petition may be
10 served upon a natural person by:

11 (A) delivering an executed copy of the demand or
12 petition to the person;

13 (B) depositing an executed copy of the demand or
14 petition in the United States mail by registered or
15 certified mail with a return receipt requested,
16 addressed to the person at the person's residence or
17 principal office or place of business; or

18 (C) any other method provided by the
19 Pennsylvania Rules of Civil Procedure or other
20 applicable court rule.

21 (4) A verified return by the individual serving a civil
22 investigative demand or petition, setting forth the manner of
23 service, shall be proof of service. In the case of service by
24 registered or certified mail, the return post office receipt
25 of the demand's or petition's delivery shall accompany the
26 return.

27 (e) Documentary material.--

28 (1) The following shall apply regarding verified
29 certificate:

30 (i) The production of documentary material shall be

1 made under a written and verified certificate, in the
2 form as the demand designates, by the following
3 individuals:

4 (A) if the demand issuee is a natural person, by
5 the demand issuee; and

6 (B) if the demand issuee is not a natural
7 person, by an individual who has knowledge of facts
8 and circumstances relating to the production and is
9 authorized to act on the demand issuee's behalf.

10 (ii) The certificate shall state that all the
11 documentary material required by the demand and in the
12 demand issuee's possession, custody or control has been
13 produced and made available to the false claims
14 investigator identified in the demand.

15 (2) The following shall apply regarding production of
16 materials:

17 (i) A demand issuee shall make the demanded material
18 available for inspection and copy to the false claims
19 investigator identified in the demand:

20 (A) at the demand issuee's principal place of
21 business;

22 (B) at another place as the false claims
23 investigator and the demand issuee thereafter may
24 agree and prescribe in writing; or

25 (C) as the court may direct under this section.

26 (ii) The documentary material shall be made
27 available on the return date specified in the demand or
28 on a later date as the false claims investigator may
29 prescribe in writing. The demand issuee may, upon written
30 agreement with the false claims investigator, substitute

1 copies for originals of all or any part of the material.

2 (3) If the demand issuee objects to the production of
3 any portion of the required documentary material or otherwise
4 withholds any portion of the material, the issuee shall with
5 particularity state the reasons for the objection or
6 withholding and identify all withheld material.

7 (f) Interrogatories.--

8 (1) With respect to answers and verified certificates,
9 each interrogatory in a civil investigative demand shall be
10 answered separately and fully in writing under oath and shall
11 be submitted under a verified certificate, in the form as the
12 demand designates stating that all information required by
13 the demand and in the demand issuee's possession, custody,
14 control or knowledge has been submitted by the following
15 individuals:

16 (i) if the demand issuee is a natural person, by the
17 demand issuee; and

18 (ii) if the demand issuee is not a natural person,
19 by the individuals responsible for answering each
20 interrogatory.

21 (2) With respect to objections and withholding of
22 information, if the demand issuee objects to an interrogatory
23 or any portion thereof, or otherwise withholds information,
24 the demand issuee shall state with particularity the reasons
25 for the objection or withholding and identify all withheld
26 information.

27 (g) Oral examinations.--The following shall apply:

28 (1) With respect to procedures:

29 (i) The examination of a person under a civil
30 investigative demand for oral testimony shall be taken

1 before an officer authorized to administer oaths and
2 affirmations by the laws of this Commonwealth or of the
3 place where the examination is held.

4 (ii) The officer shall put the witness on oath or
5 affirmation and shall personally or by someone acting
6 under the officer's direction and in the officer's
7 presence, record the witness's testimony.

8 (iii) The testimony shall be stenographically
9 transcribed.

10 (iv) When the transcribing is complete, the officer
11 shall promptly transmit a copy of the transcript to the
12 custodian.

13 (v) This subsection shall not preclude the taking of
14 testimony by any means authorized by, and in a manner
15 consistent with, the Pennsylvania Rules of Civil
16 Procedure or other applicable court rule.

17 (2) With respect to persons present, the false claims
18 investigator conducting the examination shall exclude from
19 the place where the examination is held all persons except
20 the following:

21 (i) the witness giving the testimony;

22 (ii) the attorney for the witness;

23 (iii) the attorney for the Commonwealth;

24 (iv) the officer before whom the testimony is to be
25 taken;

26 (v) the court reporter taking the testimony; and

27 (vi) any other person agreed to by the witness and
28 the attorney for the Commonwealth.

29 (3) Oral testimony taken under a civil investigative
30 demand shall be taken in the county or city within which the

1 person resides, is found, or transacts business, or in a
2 place to which the false claims investigator and the witness
3 otherwise agree.

4 (4) With respect to transcripts:

5 (i) When the transcript of testimony is completed,
6 the false claims investigator or the officer before whom
7 the testimony is taken shall afford the witness, who may
8 be accompanied by counsel, a reasonable opportunity to
9 examine and read the transcript, unless the witness
10 waives the reading and examination.

11 (ii) The officer or false claims investigator shall
12 enter and identify on the transcript any changes in form
13 or substance that the witness desires to make with a
14 statement of the reasons the witness gives for making the
15 changes.

16 (iii) The witness shall sign the transcript after
17 the changes, if any, are made, unless the witness waives
18 the signing in writing, is ill, cannot be found, or
19 refuses to sign. If the witness does not sign the
20 transcript within 30 days after being afforded a
21 reasonable opportunity to sign it, the officer or false
22 claims investigator shall sign it and state on the record
23 the fact of the witness's waiver, illness, absence or
24 refusal to sign, together with the reasons, if any, given
25 for why the witness did not sign the transcript.

26 (iv) The officer before whom the testimony is taken
27 shall certify on the transcript that the witness was
28 sworn by the officer and the transcript is a true record
29 of the witness's testimony, and the officer shall
30 promptly deliver the transcript or send the transcript by

1 registered or certified mail to the custodian.

2 (v) Upon receipt of payment of reasonable charges,
3 the false claims investigator shall furnish a copy of the
4 transcript to the witness only, except that the Attorney
5 General or the Attorney General's designee may, for good
6 cause, limit the witnesses to inspecting the official
7 transcript.

8 (5) With respect to the conduct of oral testimony, the
9 following shall apply:

10 (i) A witness compelled to appear for oral testimony
11 may be accompanied, represented, and advised by counsel.
12 Counsel may advise the witness in confidence with respect
13 to any question asked of the witness.

14 (ii) The witness or counsel may object on the record
15 to any question, in whole or in part, and shall briefly
16 state for the record the reason for the objection. An
17 objection may be made, received and entered upon the
18 record when the objection is claimed that the witness is
19 entitled to refuse to answer on the grounds of any
20 constitutional or legal right or privilege, including the
21 privilege against self-incrimination. The witness may not
22 otherwise object to or refuse to answer any question and
23 may not directly or through counsel otherwise interrupt
24 the oral examination. If a witness refuses to answer a
25 question, a petition may be filed with the court under
26 this section for an order compelling the witness to
27 answer the question.

28 (6) With respect to fees, a witness appearing for oral
29 testimony under a civil investigative demand shall be
30 entitled to the same fees and allowances that are paid to

1 witnesses in the courts of common pleas.

2 (h) Refusal to comply on self-incrimination privilege
3 grounds.--The Attorney General may invoke the provisions of 42
4 Pa.C.S. § 5947 (relating to immunity of witnesses) if a demand
5 issue on the grounds of privilege against self-incrimination,
6 refuses to:

7 (1) furnish documentary material or answer an
8 interrogatory in response to a civil investigative demand;

9 (2) answer a question asked during oral examination made
10 under a civil investigative demand; or

11 (3) otherwise comply with a civil investigative demand.

12 (i) Custody of documents, answers and transcripts.--

13 (1) With respect to the designation of a custodian,
14 unless the Attorney General designates another person, the
15 false claims investigator identified on a civil investigative
16 demand shall serve as custodian of documentary material,
17 interrogatory answers and oral testimony transcripts received
18 under this section. The Attorney General may designate
19 additional persons as the Attorney General determines to be
20 necessary to serve as deputy, alternative or successor
21 custodians.

22 (2) With respect to responsibility for materials, copies
23 and disclosure, a false claims investigator who receives
24 documentary material, interrogatory answers or oral testimony
25 transcripts under this section shall:

26 (i) if serving as custodian, take possession of the
27 material, answers or transcripts and be responsible for
28 their usage and for the return of documentary material;
29 or

30 (ii) if not serving as custodian, transmit the

1 materials, answers or transcripts to the custodian, who
2 shall take possession and responsibility for the
3 materials, answers or transcripts.

4 (3) With respect to custodian copies, the custodian may
5 cause the preparation of copies of documentary material,
6 interrogatory answers or oral testimony transcripts as may be
7 required for official use by a false claims investigator or
8 any other officer or employee of the Office of Attorney
9 General authorized to use the materials, answers or
10 transcripts in connection with the taking of oral testimony
11 under this section. ~~Except as otherwise provided in this~~ <--
12 ~~section, no documentary material, interrogatory answers or~~
13 ~~oral testimony transcripts or copies of the foregoing shall~~
14 ~~be available for examination by any individual other than a~~
15 ~~false claims investigator or other officer or employee of the~~
16 ~~Office of Attorney General.~~

17 (4) With respect to restricted disclosure:

18 (i) Except as otherwise provided in this section, no
19 documentary material, interrogatory answers or oral
20 testimony transcripts or copies of the foregoing shall be
21 available for examination by any individual other than a
22 false claims investigator or other officer or employee of
23 the Office of Attorney General.

24 (ii) The prohibition under subparagraph (i) shall
25 not apply if the person producing material, answers or
26 transcripts, or in the case of any product of discovery
27 produced under an express demand for the material, the
28 person from whom or which the discovery was obtained,
29 consents.

30 (iii) Nothing in this paragraph shall be construed

1 to prevent disclosure to the General Assembly or to a
2 Commonwealth agency in furtherance of statutory or
3 constitutional obligations, except that any disclosure
4 shall be subject to 18 Pa.C.S. Ch. 91.

5 (iv) While in the custodian's possession and under
6 reasonable terms and conditions as the Attorney General
7 prescribes, documentary material, interrogatory answers
8 and oral testimony transcripts shall be made available
9 for examination by the person that produced them or by
10 the person's authorized representative.

11 (5) With respect to the use of documentary material,
12 answers or transcripts in other proceedings:

13 (i) Notwithstanding 18 Pa.C.S. Ch. 91, an attorney
14 of the Office of Attorney General who is designated to
15 appear before a court, grand jury or Commonwealth agency
16 in a case or proceeding may, in connection with the case
17 or proceeding, obtain from the custodian and use any
18 documentary material, interrogatory answers or oral
19 testimony transcripts that the attorney determines is
20 required.

21 (ii) Upon the case's or proceeding's completion, the
22 attorney shall return to the custodian documentary
23 material, interrogatory answers or oral testimony
24 transcripts that have not passed into the court's, grand
25 jury's or agency's control through introduction into the
26 case or proceeding's record.

27 (6) With respect to conditions for return of material,
28 the following shall apply:

29 (i) Subject to subparagraphs (ii) and (iii), upon
30 the written request of a person producing documentary

1 material in connection with a false claims investigation,
2 the custodian shall return the material.

3 (ii) The custodian shall BE REQUIRED TO return the <--
4 material only if:

5 (A) all cases or proceedings arising out of the
6 false claims investigation have been completed; or

7 (B) no case or proceeding in which the material
8 may be used has been commenced within a reasonable
9 time after completion of the examination and analysis
10 of all documentary material and other information
11 assembled in the course of the false claims
12 investigation.

13 (iii) The custodian shall not return either of the
14 following:

15 (A) material that has passed into a court, grand
16 jury or Commonwealth agency's control through
17 introduction into a case or proceeding's record; or

18 (B) copies furnished to the false claims
19 investigator or made for the Attorney General under
20 this subsection.

21 (j) Judicial proceedings.--The following shall apply:

22 (1) With respect to a petition for enforcement, the
23 Attorney General or the Attorney General's designee may file
24 and serve upon a person a petition for a court order
25 enforcing a civil investigative demand if:

26 (i) the person fails to comply with a demand served
27 upon the person; or

28 (ii) satisfactory copying or reproduction of the
29 material requested in the demand cannot be done and the
30 person refuses to surrender the material.

1 (2) With respect to a petition to modify or set aside a
2 demand, the following shall apply:

3 (i) A demand issuee that has received a civil
4 investigative demand may file and serve upon the false
5 claims investigator identified in the demand a petition
6 for a court order modifying or setting aside the demand.

7 (ii) If a civil investigative demand is an express
8 demand for a product of discovery, the person from whom
9 or which discovery was obtained may, upon receipt of the
10 demand, file and serve upon the false claims investigator
11 identified in the demand a petition for a court order
12 modifying or setting aside those portions of the demand
13 requiring production of the product of discovery.

14 (iii) A petition under this paragraph must be filed
15 within:

16 (A) The earlier of 20 days after the civil
17 investigative demand is served on the person or at
18 any time before the return date specified in the
19 demand; or

20 (B) a longer period if the false claims
21 investigator so prescribes in writing in the demand.

22 (iv) A petition under this paragraph shall specify
23 each ground the petitioner relies on in seeking relief
24 and may be based on either of the following:

25 (A) failure of the civil investigative demand,
26 or any portion thereof, to comply with this section's
27 provisions; or

28 (B) a constitutional or other legal right or
29 privilege of the petitioner.

30 (v) During the pendency of a petition under this

1 paragraph, the following apply:

2 (A) The court may stay, as it deems proper,
3 compliance with all or part of the demand and the
4 running of time allowed for compliance therewith.

5 (B) The petitioner must comply with any portion
6 of the demand that is not sought to be modified or
7 set aside, or otherwise subject to a stay issued by
8 the court.

9 (3) With respect to a petition to require custodian's
10 performance of duties, at any time a custodian possesses or
11 is in custody or control of documentary material,
12 interrogatory answers or transcripts of oral testimony given
13 under a civil investigative demand, the following persons may
14 file and serve upon the custodian a petition for a court
15 order requiring the custodian to perform any duty imposed on
16 the custodian by this section:

17 (i) the demand issuee furnishing the material,
18 answers or testimony; and

19 (ii) in the case of an express demand for a product
20 of discovery, the person from whom or which discovery was
21 obtained.

22 (4) With respect to jurisdiction and contempt, the
23 following shall apply:

24 (i) The court shall have jurisdiction to hear and
25 determine a petition filed under this section and, after
26 a hearing at which all parties have the opportunity to be
27 heard, to enter orders as may be required to carry out
28 the provisions of this section.

29 (ii) A final order entered by Commonwealth Court
30 under this section shall be subject to appeal to the

1 Supreme Court under 42 Pa.C.S. § 723 (relating to appeals
2 from Commonwealth Court).

3 (k) Exemption from disclosure.--Documentary material,
4 interrogatory answers and oral testimony provided under a civil
5 investigative demand issued are exempt from disclosure under the <--
6 act of February 14, 2008 (P.L.6, No.3), known as the Right-to-
7 Know Law.

8 (l) Definitions.--For purposes of this section, the
9 following words and phrases shall have the meanings given to
10 them in this subsection unless the context clearly indicates
11 otherwise:

12 "Custodian." The false claims investigator or other
13 custodian or any deputy or alternate custodian designated by the
14 Attorney General under subsection (i).

15 "Demand issuee." A person to whom or which a civil
16 investigative demand is issued or directed.

17 "Documentary material." Includes the original or any copy of
18 any book, record, report, memorandum, paper, communication,
19 tabulation, chart or other document or data compilations stored
20 or accessible through computer or other information retrieval
21 systems, together with appropriate and succinct instructions and
22 all other materials necessary to use or interpret the data
23 compilations, and any product of discovery.

24 "False claims investigation." Any inquiry conducted by a
25 false claims investigator for the purposes of ascertaining
26 whether any person is or has been engaged in a violation of this
27 article.

28 "False claims investigator." An attorney or investigator
29 employed by the Office of Attorney General, or by a district
30 attorney designated under section 1412-D(a)(2), who is charged

1 with the duty of enforcing or carrying out the provisions of
2 this article, or an officer or employee of the Commonwealth
3 acting under the attorney or investigator's direction and
4 supervision in connection with a false claims investigation.

5 "Legal entity." A person other than a natural person.

6 "Person." As defined in 1 Pa.C.S. § 1991 (relating to
7 definitions).

8 "Product of discovery." The term includes:

9 (1) the original or duplicate of a deposition
10 interrogatory, document, thing, result of the inspection of
11 land or other property, examination or admission that is
12 obtained by any method of discovery in a judicial or
13 administrative proceeding of an adversarial nature;

14 (2) a digest, analysis, selection, compilation or
15 derivation of an item listed in paragraph (1); and

16 (3) an index or other manner of access to an item listed
17 in paragraph (1).

18 "Verified." Supported by oath or affirmation and averred
19 subject to the penalties of 18 Pa.C.S. § 4904 (relating to
20 unsworn falsification to authorities).

21 SECTION 1413.1-D. ACCESS AND SHARING OF INFORMATION.

<--

22 (A) RECIPIENTS.--NOTWITHSTANDING THE PROVISIONS OF 18
23 PA.C.S. CH. 91 (RELATING TO CRIMINAL HISTORY RECORD INFORMATION)
24 OR ANY OTHER LAW, AND AS NECESSARY TO ADVANCE AN INVESTIGATION
25 OR PROSECUTION OF A POTENTIAL OR ACTUAL VIOLATIONS OF SECTION
26 1411-D, THE ATTORNEY GENERAL MAY ACCESS AND SHARE DATA, RECORDS,
27 DOCUMENTS OR OTHER INFORMATION OBTAINED DURING THE COURSE OF A
28 CRIMINAL INVESTIGATION OR PROSECUTION, WITH THE FOLLOWING:

29 (1) A SECTION, UNIT OR INDIVIDUAL EMPLOYEE OR AGENT OF
30 THE OFFICE OF ATTORNEY GENERAL AUTHORIZED AND DESIGNATED BY

1 THE ATTORNEY GENERAL TO INVESTIGATE OR PROSECUTE A POTENTIAL
2 OR ACTUAL VIOLATION OF SECTION 1411-D, INCLUDING A DISTRICT
3 ATTORNEY DESIGNATED UNDER SECTION 1412-D(A) (2).

4 (2) THE UNITED STATES DEPARTMENT OF JUSTICE.

5 (3) THE APPROPRIATE CIVIL PROSECUTORIAL AUTHORITY OF
6 ANOTHER JURISDICTION.

7 (B) LIMITATION.--A RECIPIENT UNDER SUBSECTION (A) (1) SHALL
8 BE SUBJECT TO THE PROVISIONS OF 18 PA.C.S. CH. 91 RELATING TO
9 FURTHER DISCLOSURE, DISSEMINATION AND SHARING OF THE INFORMATION
10 WITH NONCRIMINAL JUSTICE AGENCIES, DEPARTMENTS AND INDIVIDUALS,
11 EXCEPT AS PERMITTED UNDER SUBSECTION (A) (2) AND (3).

12 Section 1414-D. Disposition of Commonwealth's share of
13 proceeds.

14 (a) Distribution and division.--The Commonwealth's share of
15 the proceeds of an action or settlement under this article, not
16 including the costs under section 1411-D(c) and less any amount
17 legally required to be paid from the Commonwealth's share, shall
18 be distributed in the following manner:

19 ~~(1) An amount equal to the total enforcement costs shall <--~~
20 ~~be distributed from the Commonwealth's share as follows:~~

21 ~~(i) The Office of Attorney General shall receive an~~
22 ~~amount proportionate to its share of the enforcement~~
23 ~~costs.~~

24 ~~(ii) The amount proportionate to the district~~
25 ~~attorney's share of the enforcement costs.~~

26 ~~(iii) Money distributed to the Office of Attorney~~
27 ~~General under this paragraph shall be reserved for use by~~
28 ~~the Medicaid Fraud Control Section.~~

29 (1) AN AMOUNT EQUAL TO 10% OF THE TOTAL ENFORCEMENT <--
30 COSTS SHALL BE DISTRIBUTED FROM THE COMMONWEALTH'S SHARE TO

1 THE OFFICE OF ATTORNEY GENERAL AND, IF APPLICABLE, A DISTRICT
2 ATTORNEY DESIGNATED UNDER SECTION 1412-D(A) (2), IN PROPORTION
3 EQUAL TO EACH OFFICE'S PERCENTAGE OF THE ENFORCEMENTS. MONEY
4 DISTRIBUTED TO THE OFFICE OF ATTORNEY GENERAL UNDER THIS
5 PARAGRAPH SHALL BE RESERVED FOR USE BY THE MEDICAID FRAUD
6 CONTROL SECTION.

7 (2) After distribution under paragraph (1), an amount
8 sufficient to reimburse the damages sustained by Commonwealth
9 agencies as a result of a violation of section 1411-D shall
10 be distributed from the Commonwealth's share to the agencies.
11 A Commonwealth agency distributed money under this paragraph
12 shall use the money to reimburse the programs administered by
13 the agency whose funds were diminished as a result of the
14 violation.

15 (3) The amount from the Commonwealth's share remaining
16 after distribution under paragraphs (1) and (2) shall be
17 deposited into the Budget Stabilization Reserve Fund.

18 (b) Definition.--As used in this section, the term
19 "enforcement costs" means the costs awarded under section 1411-
20 D(c) to the Office of Attorney General and, if applicable, to a
21 district attorney designated under section ~~1411-D(a)(2)~~ 1412- <--
22 D(A) (2).

23 Section 1415-D. Annual report.

24 (a) Report required.--The Attorney General shall prepare an
25 annual report concerning actions taken under this article by
26 December 31 each year, beginning December 31, 2021. The report
27 shall be submitted to the following:

28 (1) The Governor.

29 (2) The Department of Auditor General.

30 (3) The Independent Fiscal Office.

1 (4) The Office of Inspector General.

2 (5) The members of the General Assembly.

3 (6) The Legislative Budget and Finance Committee.

4 (b) Contents.--The report shall include the following:

5 (1) The number of actions filed under this article by
6 the Attorney General.

7 (2) The number of actions filed under this article by
8 the Attorney General that were completed.

9 (3) The amount that was recovered in actions filed under
10 this article by the Attorney General through settlement or
11 through a judgment and, if known, the amount recovered for
12 damages, penalties and litigation costs.

13 (4) The amount expended by the Office of Attorney
14 General for investigation, litigation and all other costs for
15 legal claims under this article.

16 (5) A narrative describing the most notable or prevalent
17 violations of section 1411-D and recommendations on how
18 Commonwealth agencies may prevent similar violations from
19 occurring.

20 (6) Legislative recommendations that the Attorney
21 General may have for amendments to this article and any other
22 law as it relates to this article.

23 Section 1416-D. Statute of limitations, burden of proof and
24 estoppel.

25 (a) Statute of limitations.--

26 (1) Except as otherwise provided under this section, a
27 civil action under section 1412-D may not be brought more
28 than 10 years after the date on which the violation was
29 committed.

30 (2) If a violation is part of a continuing course of

1 conduct, a civil action under section 1412-D may not be
2 brought more than 10 years after the date on which the last
3 violation in the continuing course of conduct was committed.

4 (b) Burden of proof.--In an action brought under section
5 1412-D, the Commonwealth shall be required to prove all
6 essential elements of the cause of action, including damages, by
7 a preponderance of the evidence.

8 (c) Estoppel.--Notwithstanding any other provision of law, a
9 final judgment rendered in favor of the Commonwealth in a
10 criminal proceeding charging false statements or fraud, whether
11 upon a verdict after trial or upon a plea of guilty or nolo
12 contendere, shall estop the defendant from denying the essential
13 elements of the offense in an action brought under section 1412-
14 D that involves the same transaction as in the criminal
15 proceeding.

16 Section 1417-D. Relief from retaliatory actions.

17 (a) General rule.--An employee, contractor or agent shall be
18 entitled to all relief necessary to make the employee,
19 contractor or agent whole, if the employee, contractor or agent
20 is discharged, demoted, suspended, threatened, harassed or in
21 any other manner discriminated against in the terms and
22 conditions of employment, contract or agency because of lawful
23 acts done by the employee, contractor, agent or associated
24 others in furtherance of an action under this article or other
25 efforts to stop one or more violations of this article.

26 (b) Relief.--Relief under subsection (a) shall include
27 reinstatement with the same seniority status that the employee,
28 contractor or agent would have had but for the discrimination,
29 two times the amount of back pay, interest on the back pay and
30 compensation for special damages sustained as a result of the

1 discrimination, including litigation costs and reasonable
2 attorney fees.

3 (c) Limitation.--An action under this section may not be
4 brought more than three years after the date on which the
5 retaliation occurred.

6 Section 1418-D. Actions and remedies under other laws.

7 (a) Actions and remedies not exclusive.--The provisions of
8 this article are not exclusive and the actions and remedies
9 provided for in this article shall be in addition to any other
10 actions and remedies provided for in any other law or available
11 under the common law.

12 (b) Construction.--The availability of an action or remedy
13 provided for in any other law or available under the common law
14 shall not be construed to exclude, impair or limit the
15 availability or use of the provisions of this article.

16 (c) Existing privileges and immunities unaffected.--This
17 article shall not abrogate or modify any existing statutory or
18 common law privilege or immunity.

19 Section 1419-D. Rules of procedure.

20 Except as otherwise specified in, or where clearly
21 inconsistent with, this article, ~~civil actions~~ PROCEEDINGS under <--
22 this article shall be governed by the Pennsylvania Rules of
23 Civil Procedure or other applicable court rule.

24 Section 1420-D. Implementation.

25 (a) Regulations.--The Attorney General is empowered and
26 authorized to promulgate regulations as necessary to carry out
27 the purpose of this article.

28 (b) Guidelines.--The following shall apply:

29 (1) To facilitate the prompt implementation of this
30 article, in lieu of initially promulgating regulations, the

1 Attorney General may promulgate, adopt and use guidelines
2 that shall be transmitted to the Legislative Reference Bureau
3 for publication in the Pennsylvania Bulletin. A guideline
4 promulgated under this section shall not be subject to review
5 under any of the following:

6 (i) Section 612 of the act of April 9, 1929
7 (P.L.177, No.175), known as The Administrative Code of
8 1929.

9 (ii) Sections 201, 202, 203, 204 and 205 of the act
10 of July 31, 1968 (P.L.769, No.240), referred to as the
11 Commonwealth Documents Law.

12 (iii) Sections 204(b) and 301(10) of the act of
13 October 15, 1980 (P.L.950, No.164), known as the
14 Commonwealth Attorneys Act.

15 (iv) The act of June 25, 1982 (P.L.633, No.181),
16 known as the Regulatory Review Act.

17 (2) A guideline promulgated under this section shall be
18 effective for three years after the effective date of this
19 article, after which it shall be promulgated as a regulation.

20 (c) Mandatory provisions.--The Attorney General, whether by
21 regulation, guideline or internal policy, shall implement
22 provisions to:

23 (1) control a person's disclosure, dissemination,
24 sharing or use of information that is protected under 18
25 Pa.C.S. Ch. 91 (relating to criminal history record
26 information) and that the person lawfully obtains in
27 connection with an investigation or prosecution of a
28 potential or actual violation of section 1411-D; and

29 ~~(2) prevent the disclosure, dissemination, sharing or~~ <--
30 ~~use of protected information in accordance with section 1413~~

1 D(a)(4).

2 (2) IN ACCORDANCE WITH SECTION 1413.1-D(B), PREVENT THE <--
3 UNAUTHORIZED FURTHER DISCLOSURE, DISSEMINATION, SHARING OR
4 USE OF PROTECTED INFORMATION.

5 Section 1421-D. Jurisdiction and Attorney General as relator in
6 Federal false claims actions.

7 (a) Jurisdiction.--An action or petition under this article
8 shall be filed in a court of competent jurisdiction. The
9 following shall apply:

10 (1) An action or petition that is brought in the courts
11 of the Commonwealth shall be filed in Commonwealth Court.

12 (2) Commonwealth Court shall have jurisdiction over a
13 legal claim asserted under the laws of the United States, any
14 state or any local government, which arises from the same
15 transaction or occurrence as an action brought under this
16 article.

17 (b) Attorney General as relator.--To the extent permitted by
18 Federal law the Attorney General may bring an action as a
19 relator under 31 U.S.C. § 3730 (relating to civil actions for
20 false claims) with respect to any act for which a person may be
21 held liable under 31 U.S.C. Ch. 37 (relating to claims).

22 (c) Definition.--For purposes of this section, the term
23 "state" includes the District of Columbia, the Commonwealth of
24 Puerto Rico, the Virgin Islands and all insular territories of
25 the United States.

26 Section 1422-D. Expiration.

27 (a) General rule.--Subject to subsection (b), this article
28 shall expire 20 years after the effective date of this section.

29 (b) Exception.--The expiration of this article shall not
30 apply to or otherwise affect the following:

1 (1) A violation of this article that occurred before the
2 expiration of this article.

3 (2) An investigation of an alleged violation of this
4 article that commenced, but was not completed, before the
5 expiration of this article.

6 Section 2. This act shall take effect in 120 days.