



Sen. Pamela J. Althoff

Filed: 3/29/2017

10000SB1577sam001

LRB100 06362 HEP 24189 a

1 AMENDMENT TO SENATE BILL 1577

2 AMENDMENT NO. _____. Amend Senate Bill 1577 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois False Claims Act is amended by
5 changing Section 3 as follows:

6 (740 ILCS 175/3) (from Ch. 127, par. 4103)

7 Sec. 3. False claims.

8 (a) Liability for certain acts.

9 (1) In general, any person who:

10 (A) knowingly presents, or causes to be presented,
11 a false or fraudulent claim for payment or approval;

12 (B) knowingly makes, uses, or causes to be made or
13 used, a false record or statement material to a false
14 or fraudulent claim;

15 (C) conspires to commit a violation of
16 subparagraph (A), (B), (D), (E), (F), or (G);

1 (D) has possession, custody, or control of
2 property or money used, or to be used, by the State and
3 knowingly delivers, or causes to be delivered, less
4 than all the money or property;

5 (E) is authorized to make or deliver a document
6 certifying receipt of property used, or to be used, by
7 the State and, intending to defraud the State, makes or
8 delivers the receipt without completely knowing that
9 the information on the receipt is true;

10 (F) knowingly buys, or receives as a pledge of an
11 obligation or debt, public property from an officer or
12 employee of the State, or a member of the Guard, who
13 lawfully may not sell or pledge property; or

14 (G) knowingly makes, uses, or causes to be made or
15 used, a false record or statement material to an
16 obligation to pay or transmit money or property to the
17 State, or knowingly conceals or knowingly and
18 improperly avoids or decreases an obligation to pay or
19 transmit money or property to the State,
20 is liable to the State for a civil penalty of not less than
21 \$5,500 and not more than \$11,000, plus 3 times the amount
22 of damages which the State sustains because of the act of
23 that person. The penalties in this Section are intended to
24 be remedial rather than punitive, and shall not preclude,
25 nor be precluded by, a criminal prosecution for the same
26 conduct.

1 (2) A person violating this subsection shall also be
2 liable to the State for the costs of a civil action brought
3 to recover any such penalty or damages.

4 (3) For purposes of Medicaid fraud, a person who
5 commits an act described in subdivisions (a) (1) (A) through
6 (a) (1) (G) is liable to the State for a civil penalty of not
7 less than the minimum amount and not more than the maximum
8 amount allowed for a civil penalty for a violation of the
9 federal False Claims Act (31 U.S.C. 3729 et seq.) as
10 adjusted by the Federal Civil Penalties Inflation
11 Adjustment Act of 1990 (28 U.S.C. 2461).

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

13 (1) The terms "knowing" and "knowingly":

14 (A) mean that a person, with respect to
15 information:

16 (i) has actual knowledge of the information;

17 (ii) acts in deliberate ignorance of the truth
18 or falsity of the information; or

19 (iii) acts in reckless disregard of the truth
20 or falsity of the information, and

21 (B) require no proof of specific intent to defraud.

22 (2) The term "claim":

23 (A) means any request or demand, whether under a
24 contract or otherwise, for money or property and
25 whether or not the State has title to the money or
26 property, that

1 (i) is presented to an officer, employee, or
2 agent of the State; or

3 (ii) is made to a contractor, grantee, or other
4 recipient, if the money or property is to be spent
5 or used on the State's behalf or to advance a State
6 program or interest, and if the State:

7 (I) provides or has provided any portion
8 of the money or property requested or demanded;
9 or

10 (II) will reimburse such contractor,
11 grantee, or other recipient for any portion of
12 the money or property which is requested or
13 demanded; and

14 (B) does not include requests or demands for money
15 or property that the State has paid to an individual as
16 compensation for State employment or as an income
17 subsidy with no restrictions on that individual's use
18 of the money or property.

19 (3) The term "obligation" means an established duty,
20 whether or not fixed, arising from an express or implied
21 contractual, grantor-grantee, or licensor-licensee
22 relationship, from a fee-based or similar relationship,
23 from statute or regulation, or from the retention of any
24 overpayment.

25 (4) The term "material" means having a natural tendency
26 to influence, or be capable of influencing, the payment or

1 receipt of money or property.

2 (c) Exclusion. This Section does not apply to claims,
3 records, or statements made under the Illinois Income Tax Act.

4 (Source: P.A. 95-128, eff. 1-1-08; 96-1304, eff. 7-27-10.)

5 Section 99. Effective date. This Act takes effect upon
6 becoming law."