



Sen. Julie A. Morrison

Filed: 5/12/2017

10000SB1577sam002

LRB100 06362 KTG 26336 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 the minimum amount and not more than the maximum amount
22 allowed for a civil penalty for a violation of the federal
23 False Claims Act (31 U.S.C. 3729 et seq.) as adjusted by
24 the Federal Civil Penalties Inflation Adjustment Act of
25 1990 (28 U.S.C. 2461) ~~\$5,500 and not more than \$11,000,~~
26 plus 3 times the amount of damages which the State sustains

1 because of the act of that person. Notwithstanding any
2 other provision, a person is liable to the State for a
3 civil penalty of not less than \$5,500 and not more than
4 \$11,000, plus 3 times the amount of damages which the State
5 sustains because of the act of that person, when: (i) the
6 civil action was brought by a private person pursuant to
7 paragraph (1) of subsection (b) of Section 4; (ii) the
8 State did not elect to intervene pursuant to paragraph (2)
9 of subsection (b) of Section 4; (iii) the actual amount of
10 the tax owed to the State is equal to or less than \$50,000,
11 which does not include interest, penalties, attorney's
12 fees, costs, or any other amounts owed or paid pursuant to
13 this Act; and (iv) the violation of this Act relates to or
14 involves a false claim regarding a tax administered by the
15 Department of Revenue, excluding claims, records, or
16 statements made under the Property Tax Code. The penalties
17 in this Section are intended to be remedial rather than
18 punitive, and shall not preclude, nor be precluded by, a
19 criminal prosecution for the same conduct.

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

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

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

25 (A) mean that a person, with respect to
26 information:

- 1 (i) has actual knowledge of the information;
- 2 (ii) acts in deliberate ignorance of the truth
- 3 or falsity of the information; or
- 4 (iii) acts in reckless disregard of the truth
- 5 or falsity of the information, and
- 6 (B) require no proof of specific intent to defraud.

7 (2) The term "claim":

8 (A) means any request or demand, whether under a

9 contract or otherwise, for money or property and

10 whether or not the State has title to the money or

11 property, that

12 (i) is presented to an officer, employee, or

13 agent of the State; or

14 (ii) is made to a contractor, grantee, or other

15 recipient, if the money or property is to be spent

16 or used on the State's behalf or to advance a State

17 program or interest, and if the State:

18 (I) provides or has provided any portion

19 of the money or property requested or demanded;

20 or

21 (II) will reimburse such contractor,

22 grantee, or other recipient for any portion of

23 the money or property which is requested or

24 demanded; and

25 (B) does not include requests or demands for money

26 or property that the State has paid to an individual as

1 compensation for State employment or as an income
2 subsidy with no restrictions on that individual's use
3 of the money or property.

4 (3) The term "obligation" means an established duty,
5 whether or not fixed, arising from an express or implied
6 contractual, grantor-grantee, or licensor-licensee
7 relationship, from a fee-based or similar relationship,
8 from statute or regulation, or from the retention of any
9 overpayment.

10 (4) The term "material" means having a natural tendency
11 to influence, or be capable of influencing, the payment or
12 receipt of money or property.

13 (c) Exclusion. This Section does not apply to claims,
14 records, or statements made under the Illinois Income Tax Act.
15 (Source: P.A. 95-128, eff. 1-1-08; 96-1304, eff. 7-27-10.)

16 Section 99. Effective date. This Act takes effect upon
17 becoming law."