



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

SB1714

Introduced 2/15/2019, by Sen. Chuck Weaver

#### SYNOPSIS AS INTRODUCED:

705 ILCS 505/8	from Ch. 37, par. 439.8
740 ILCS 175/4	from Ch. 127, par. 4104
740 ILCS 175/4.5 new	

Amends the Illinois False Claims Act. Provides that no court has jurisdiction over a civil action relating to or involving a false claim regarding certain tax acts administered by the Department of Revenue unless the action is brought by the Attorney General. Provides that the Department of Revenue has the sole authority to bring an administrative action and that the Attorney General has the sole authority to bring a judicial action under the Act for a false claim, statement, or record pertaining to certain taxes administered by the Department of Revenue. Contains provisions concerning reporting, investigative, and enforcement procedures for allegations of false claims pertaining to certain taxes. Contains provisions governing the payment of rewards to persons who provide information that leads to recovery of funds under the new provisions. Provides that the appeal of a determination regarding an award may be appealed exclusively to the Court of Claims and must be filed within 30 days of the determination of the award. Makes other changes, including a corresponding change in the Court of Claims Act. Effective January 1, 2020.

LRB101 09680 LNS 54779 b

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Court of Claims Act is amended by changing  
5 Section 8 as follows:

6 (705 ILCS 505/8) (from Ch. 37, par. 439.8)

7 Sec. 8. Court of Claims jurisdiction; deliberation  
8 periods. The court shall have exclusive jurisdiction to hear  
9 and determine the following matters:

10 (a) All claims against the State founded upon any law of  
11 the State of Illinois or upon any regulation adopted thereunder  
12 by an executive or administrative officer or agency; provided,  
13 however, the court shall not have jurisdiction (i) to hear or  
14 determine claims arising under the Workers' Compensation Act or  
15 the Workers' Occupational Diseases Act, or claims for expenses  
16 in civil litigation, or (ii) to review administrative decisions  
17 for which a statute provides that review shall be in the  
18 circuit or appellate court.

19 (b) All claims against the State founded upon any contract  
20 entered into with the State of Illinois.

21 (c) All claims against the State for time unjustly served  
22 in prisons of this State when the person imprisoned received a  
23 pardon from the governor stating that such pardon is issued on

1 the ground of innocence of the crime for which he or she was  
2 imprisoned or he or she received a certificate of innocence  
3 from the Circuit Court as provided in Section 2-702 of the Code  
4 of Civil Procedure; provided, the amount of the award is at the  
5 discretion of the court; and provided, the court shall make no  
6 award in excess of the following amounts: for imprisonment of 5  
7 years or less, not more than \$85,350; for imprisonment of 14  
8 years or less but over 5 years, not more than \$170,000; for  
9 imprisonment of over 14 years, not more than \$199,150; and  
10 provided further, the court shall fix attorney's fees not to  
11 exceed 25% of the award granted. On or after the effective date  
12 of this amendatory Act of the 95th General Assembly, the court  
13 shall annually adjust the maximum awards authorized by this  
14 subsection (c) to reflect the increase, if any, in the Consumer  
15 Price Index For All Urban Consumers for the previous calendar  
16 year, as determined by the United States Department of Labor,  
17 except that no annual increment may exceed 5%. For the annual  
18 adjustments, if the Consumer Price Index decreases during a  
19 calendar year, there shall be no adjustment for that calendar  
20 year. The transmission by the Prisoner Review Board or the  
21 clerk of the circuit court of the information described in  
22 Section 11(b) to the clerk of the Court of Claims is conclusive  
23 evidence of the validity of the claim. The changes made by this  
24 amendatory Act of the 95th General Assembly apply to all claims  
25 pending on or filed on or after the effective date.

26 (d) All claims against the State for damages in cases

1     sounding in tort, if a like cause of action would lie against a  
2     private person or corporation in a civil suit, and all like  
3     claims sounding in tort against the Medical Center Commission,  
4     the Board of Trustees of the University of Illinois, the Board  
5     of Trustees of Southern Illinois University, the Board of  
6     Trustees of Chicago State University, the Board of Trustees of  
7     Eastern Illinois University, the Board of Trustees of Governors  
8     State University, the Board of Trustees of Illinois State  
9     University, the Board of Trustees of Northeastern Illinois  
10    University, the Board of Trustees of Northern Illinois  
11    University, the Board of Trustees of Western Illinois  
12    University, or the Board of Trustees of the Illinois  
13    Mathematics and Science Academy; provided, that an award for  
14    damages in a case sounding in tort, other than certain cases  
15    involving the operation of a State vehicle described in this  
16    paragraph, shall not exceed the sum of \$2,000,000 to or for the  
17    benefit of any claimant. The \$2,000,000 limit prescribed by  
18    this Section does not apply to an award of damages in any case  
19    sounding in tort arising out of the operation by a State  
20    employee of a vehicle owned, leased or controlled by the State.  
21    The defense that the State or the Medical Center Commission or  
22    the Board of Trustees of the University of Illinois, the Board  
23    of Trustees of Southern Illinois University, the Board of  
24    Trustees of Chicago State University, the Board of Trustees of  
25    Eastern Illinois University, the Board of Trustees of Governors  
26    State University, the Board of Trustees of Illinois State

1 University, the Board of Trustees of Northeastern Illinois  
2 University, the Board of Trustees of Northern Illinois  
3 University, the Board of Trustees of Western Illinois  
4 University, or the Board of Trustees of the Illinois  
5 Mathematics and Science Academy is not liable for the  
6 negligence of its officers, agents, and employees in the course  
7 of their employment is not applicable to the hearing and  
8 determination of such claims. The changes to this Section made  
9 by this amendatory Act of the 100th General Assembly apply only  
10 to claims filed on or after July 1, 2015.

11 The court shall annually adjust the maximum awards  
12 authorized by this subsection to reflect the increase, if any,  
13 in the Consumer Price Index For All Urban Consumers for the  
14 previous calendar year, as determined by the United States  
15 Department of Labor. The Comptroller shall make the new amount  
16 resulting from each annual adjustment available to the public  
17 via the Comptroller's official website by January 31 of every  
18 year.

19 (e) All claims for recoupment made by the State of Illinois  
20 against any claimant.

21 (f) All claims pursuant to the Line of Duty Compensation  
22 Act. A claim under that Act must be heard and determined within  
23 one year after the application for that claim is filed with the  
24 Court as provided in that Act.

25 (g) All claims filed pursuant to the Crime Victims  
26 Compensation Act.

1 (h) All claims pursuant to the Illinois National  
2 Guardsman's Compensation Act. A claim under that Act must be  
3 heard and determined within one year after the application for  
4 that claim is filed with the Court as provided in that Act.

5 (i) All claims authorized by subsection (a) of Section  
6 10-55 of the Illinois Administrative Procedure Act for the  
7 expenses incurred by a party in a contested case on the  
8 administrative level.

9 (j) All appeals of determinations by the Department of  
10 Revenue regarding awards under Section 4.5 of the Illinois  
11 False Claims Act.

12 (Source: P.A. 100-1124, eff. 11-27-18.)

13 Section 10. The Illinois False Claims Act is amended by  
14 changing Section 4 and by adding Section 4.5 as follows:

15 (740 ILCS 175/4) (from Ch. 127, par. 4104)

16 Sec. 4. Civil actions for false claims.

17 (a) Responsibilities of the Attorney General and the  
18 Department of State Police. The Attorney General or the  
19 Department of State Police shall diligently investigate a civil  
20 violation under Section 3. If the Attorney General finds that a  
21 person violated or is violating Section 3, the Attorney General  
22 may bring a civil action under this Section against the person.

23 The State shall receive an amount for reasonable expenses  
24 that the court finds to have been necessarily incurred by the

1 Attorney General, including reasonable attorneys' fees and  
2 costs. All such expenses, fees, and costs shall be awarded  
3 against the defendant. The court may award amounts from the  
4 proceeds of an action or settlement that it considers  
5 appropriate to any governmental entity or program that has been  
6 adversely affected by a defendant. The Attorney General, if  
7 necessary, shall direct the State Treasurer to make a  
8 disbursement of funds as provided in court orders or settlement  
9 agreements.

10 (b) Actions by private persons.

11 (1) A person may bring a civil action for a violation  
12 of Section 3 for the person and for the State. The action  
13 shall be brought in the name of the State. The action may  
14 be dismissed only if the court and the Attorney General  
15 give written consent to the dismissal and their reasons for  
16 consenting.

17 (2) A copy of the complaint and written disclosure of  
18 substantially all material evidence and information the  
19 person possesses shall be served on the State. The  
20 complaint shall be filed in camera, shall remain under seal  
21 for at least 60 days, and shall not be served on the  
22 defendant until the court so orders. The State may elect to  
23 intervene and proceed with the action within 60 days after  
24 it receives both the complaint and the material evidence  
25 and information.

26 (3) The State may, for good cause shown, move the court

1 for extensions of the time during which the complaint  
2 remains under seal under paragraph (2). Any such motions  
3 may be supported by affidavits or other submissions in  
4 camera. The defendant shall not be required to respond to  
5 any complaint filed under this Section until 20 days after  
6 the complaint is unsealed and served upon the defendant.

7 (4) Before the expiration of the 60-day period or any  
8 extensions obtained under paragraph (3), the State shall:

9 (A) proceed with the action, in which case the  
10 action shall be conducted by the State; or

11 (B) notify the court that it declines to take over  
12 the action, in which case the person bringing the  
13 action shall have the right to conduct the action.

14 (5) When a person brings an action under this  
15 subsection (b), no person other than the State may  
16 intervene or bring a related action based on the facts  
17 underlying the pending action.

18 (c) Rights of the parties to Qui Tam actions.

19 (1) If the State proceeds with the action, it shall  
20 have the primary responsibility for prosecuting the  
21 action, and shall not be bound by an act of the person  
22 bringing the action. Such person shall have the right to  
23 continue as a party to the action, subject to the  
24 limitations set forth in paragraph (2).

25 (2) (A) The State may dismiss the action  
26 notwithstanding the objections of the person initiating



1 the action if the person has been notified by the State of  
2 the filing of the motion and the court has provided the  
3 person with an opportunity for a hearing on the motion.

4 (B) The State may settle the action with the defendant  
5 notwithstanding the objections of the person initiating  
6 the action if the court determines, after a hearing, that  
7 the proposed settlement is fair, adequate, and reasonable  
8 under all the circumstances. Upon a showing of good cause,  
9 such hearing may be held in camera.

10 (C) Upon a showing by the State that unrestricted  
11 participation during the course of the litigation by the  
12 person initiating the action would interfere with or unduly  
13 delay the State's prosecution of the case, or would be  
14 repetitious, irrelevant, or for purposes of harassment,  
15 the court may, in its discretion, impose limitations on the  
16 person's participation, such as:

17 (i) limiting the number of witnesses the person may  
18 call:

19 (ii) limiting the length of the testimony of such  
20 witnesses;

21 (iii) limiting the person's cross-examination of  
22 witnesses; or

23 (iv) otherwise limiting the participation by the  
24 person in the litigation.

25 (D) Upon a showing by the defendant that unrestricted  
26 participation during the course of the litigation by the

1 person initiating the action would be for purposes of  
2 harassment or would cause the defendant undue burden or  
3 unnecessary expense, the court may limit the participation  
4 by the person in the litigation.

5 (3) If the State elects not to proceed with the action,  
6 the person who initiated the action shall have the right to  
7 conduct the action. If the State so requests, it shall be  
8 served with copies of all pleadings filed in the action and  
9 shall be supplied with copies of all deposition transcripts  
10 (at the State's expense). When a person proceeds with the  
11 action, the court, without limiting the status and rights  
12 of the person initiating the action, may nevertheless  
13 permit the State to intervene at a later date upon a  
14 showing of good cause.

15 (4) Whether or not the State proceeds with the action,  
16 upon a showing by the State that certain actions of  
17 discovery by the person initiating the action would  
18 interfere with the State's investigation or prosecution of  
19 a criminal or civil matter arising out of the same facts,  
20 the court may stay such discovery for a period of not more  
21 than 60 days. Such a showing shall be conducted in camera.  
22 The court may extend the 60-day period upon a further  
23 showing in camera that the State has pursued the criminal  
24 or civil investigation or proceedings with reasonable  
25 diligence and any proposed discovery in the civil action  
26 will interfere with the ongoing criminal or civil

1 investigation or proceedings.

2 (5) Notwithstanding subsection (b), the State may  
3 elect to pursue its claim through any alternate remedy  
4 available to the State, including any administrative  
5 proceeding to determine a civil money penalty. If any such  
6 alternate remedy is pursued in another proceeding, the  
7 person initiating the action shall have the same rights in  
8 such proceeding as such person would have had if the action  
9 had continued under this Section. Any finding of fact or  
10 conclusion of law made in such other proceeding that has  
11 become final shall be conclusive on all parties to an  
12 action under this Section. For purposes of the preceding  
13 sentence, a finding or conclusion is final if it has been  
14 finally determined on appeal to the appropriate court, if  
15 all time for filing such an appeal with respect to the  
16 finding or conclusion has expired, or if the finding or  
17 conclusion is not subject to judicial review.

18 (d) Award to Qui Tam plaintiff.

19 (1) If the State proceeds with an action brought by a  
20 person under subsection (b), such person shall, subject to  
21 the second sentence of this paragraph, receive at least 15%  
22 but not more than 25% of the proceeds of the action or  
23 settlement of the claim, depending upon the extent to which  
24 the person substantially contributed to the prosecution of  
25 the action. Where the action is one which the court finds  
26 to be based primarily on disclosures of specific

1 information (other than information provided by the person  
2 bringing the action) relating to allegations or  
3 transactions in a criminal, civil, or administrative  
4 hearing, in a legislative, administrative, or Auditor  
5 General's report, hearing, audit, or investigation, or  
6 from the news media, the court may award such sums as it  
7 considers appropriate, but in no case more than 10%, if  
8 any, of the proceeds, taking into account the significance  
9 of the information and the role of the person bringing the  
10 action in advancing the case to litigation. Any payment to  
11 a person under the first or second sentence of this  
12 paragraph (1) shall be made from the proceeds. Any such  
13 person shall also receive an amount for reasonable expenses  
14 which the court finds to have been necessarily incurred,  
15 plus reasonable attorneys' fees and costs. The State shall  
16 also receive an amount for reasonable expenses which the  
17 court finds to have been necessarily incurred by the  
18 Attorney General, including reasonable attorneys' fees and  
19 costs. All such expenses, fees, and costs shall be awarded  
20 against the defendant. The court may award amounts from the  
21 proceeds of an action or settlement that it considers  
22 appropriate to any governmental entity or program that has  
23 been adversely affected by a defendant. The Attorney  
24 General, if necessary, shall direct the State Treasurer to  
25 make a disbursement of funds as provided in court orders or  
26 settlement agreements.

1           (2) If the State does not proceed with an action under  
2 this Section, the person bringing the action or settling  
3 the claim shall receive an amount which the court decides  
4 is reasonable for collecting the civil penalty and damages.  
5 The amount shall be not less than 25% and not more than 30%  
6 of the proceeds of the action or settlement and shall be  
7 paid out of such proceeds. Such person shall also receive  
8 an amount for reasonable expenses which the court finds to  
9 have been necessarily incurred, plus reasonable attorneys'  
10 fees and costs. All such expenses, fees, and costs shall be  
11 awarded against the defendant. The court may award amounts  
12 from the proceeds of an action or settlement that it  
13 considers appropriate to any governmental entity or  
14 program that has been adversely affected by a defendant.  
15 The Attorney General, if necessary, shall direct the State  
16 Treasurer to make a disbursement of funds as provided in  
17 court orders or settlement agreements.

18           (3) Whether or not the State proceeds with the action,  
19 if the court finds that the action was brought by a person  
20 who planned and initiated the violation of Section 3 upon  
21 which the action was brought, then the court may, to the  
22 extent the court considers appropriate and without  
23 limitation, reduce the share of the proceeds of the action  
24 which the person would otherwise receive under paragraph  
25 (1) or (2) of this subsection (d), taking into account the  
26 role of that person in advancing the case to litigation and

1 any relevant circumstances pertaining to the violation. If  
2 the person bringing the action is convicted of criminal  
3 conduct arising from his or her role in the violation of  
4 Section 3, that person shall be dismissed from the civil  
5 action and shall not receive any share of the proceeds of  
6 the action. Such dismissal shall not prejudice the right of  
7 the State to continue the action, represented by the  
8 Attorney General.

9 (4) If the State does not proceed with the action and  
10 the person bringing the action conducts the action, the  
11 court may award to the defendant its reasonable attorneys'  
12 fees and expenses if the defendant prevails in the action  
13 and the court finds that the claim of the person bringing  
14 the action was clearly frivolous, clearly vexatious, or  
15 brought primarily for purposes of harassment.

16 (e) Certain actions barred.

17 (1) No court shall have jurisdiction over an action  
18 brought by a former or present member of the Guard under  
19 subsection (b) of this Section against a member of the  
20 Guard arising out of such person's service in the Guard.

21 (2) (A) No court shall have jurisdiction over an action  
22 brought under subsection (b) against a member of the  
23 General Assembly, a member of the judiciary, or an exempt  
24 official if the action is based on evidence or information  
25 known to the State when the action was brought.

26 (B) For purposes of this paragraph (2), "exempt

1       official" means any of the following officials in State  
2       service: directors of departments established under the  
3       Civil Administrative Code of Illinois, the Adjutant  
4       General, the Assistant Adjutant General, the Director of  
5       the State Emergency Services and Disaster Agency, members  
6       of the boards and commissions, and all other positions  
7       appointed by the Governor by and with the consent of the  
8       Senate.

9           (3) In no event may a person bring an action under  
10       subsection (b) which is based upon allegations or  
11       transactions which are the subject of a civil suit or an  
12       administrative civil money penalty proceeding in which the  
13       State is already a party.

14           (4) (A) The court shall dismiss an action or claim under  
15       this Section, unless opposed by the State, if substantially  
16       the same allegations or transactions as alleged in the  
17       action or claim were publicly disclosed:

18                   (i) in a criminal, civil, or administrative  
19       hearing in which the State or its agent is a party;

20                   (ii) in a State legislative, State Auditor  
21       General, or other State report, hearing, audit, or  
22       investigation; or

23                   (iii) from the news media,

24       unless the action is brought by the Attorney General or the  
25       person bringing the action is an original source of the  
26       information.

1 (B) For purposes of this paragraph (4), "original  
2 source" means an individual who either (i) prior to a  
3 public disclosure under subparagraph (A) of this paragraph  
4 (4), has voluntarily disclosed to the State the information  
5 on which allegations or transactions in a claim are based,  
6 or (ii) has knowledge that is independent of and materially  
7 adds to the publicly disclosed allegations or  
8 transactions, and who has voluntarily provided the  
9 information to the State before filing an action under this  
10 Section.

11 (5) No court has jurisdiction over a civil action  
12 brought under subsection (b) that relates to or involves a  
13 false claim regarding a tax administered by the Department  
14 of Revenue under the Use Tax Act; the Service Use Tax Act;  
15 the Service Occupation Tax Act; the Retailers' Occupation  
16 Tax Act; the Cigarette Machine Operators' Occupation Tax  
17 Act; the Cigarette Tax Act; the Cigarette Use Tax Act; the  
18 Home Rule Cigarette Tax Restriction Act; the Tobacco  
19 Products Tax Act of 1995; the Hotel Operators' Occupation  
20 Tax Act; the Use and Occupation Tax Refund Act; the  
21 Automobile Renting Occupation and Use Tax Act; the Aircraft  
22 Use Tax Law; the Watercraft Use Tax Law; the Direct Pay  
23 Permit Implementation Act; the Governmental Tax Reform  
24 Validation Act; the Simplified Sales and Use Tax  
25 Administration Act; the Gas Use Tax Law; the Live Adult  
26 Entertainment Facility Surcharge Act; the Illinois Estate



1 and Generation-Skipping Transfer Tax Act; the Motor Fuel  
2 Tax Law; the Coin-Operated Amusement Device and Redemption  
3 Machine Tax Act; the Mobile Home Local Services Tax Act;  
4 the Mobile Home Local Services Tax Enforcement Act; the  
5 Manufactured Home Installation Act; the Cannabis and  
6 Controlled Substances Tax Act; the Illinois Central  
7 Railroad Tax Act; the Messages Tax Act; the Gas Revenue Tax  
8 Act; the Public Utilities Revenue Act; the Water Company  
9 Invested Capital Tax Act; the Telecommunications Excise  
10 Tax Act; the Telecommunications Infrastructure Maintenance  
11 Fee Act; the Simplified Municipal Telecommunications Tax  
12 Act; the Mobile Telecommunications Sourcing Conformity  
13 Act; the Electricity Excise Tax Law; the Electricity  
14 Infrastructure Maintenance Fee Law; Section 31 of the  
15 Innovation Development and Economy Act; Sections 5-1006,  
16 5-1006.5, 5-1006.7, 5-1007, 5-1008, 5-1008.5, and 5-1035.1  
17 of the Counties Code; Sections 8-11-1, 8-11-2, 8-11-3,  
18 8-11-4, 8-11-5, 8-11-6, 8-11-6b, 8-11-7, 8-11-8, 8-11-11,  
19 8-11-15, 8-11-16, 8-11-20, 8-11-21, and 11-74.3-3 of the  
20 Illinois Municipal Code; Section 13 of the Metropolitan  
21 Pier and Exposition Authority Act; Section 30 of the  
22 Metro-East Park and Recreation District Act; Section 5.01  
23 of the Local Mass Transit District Act; Section 4.03 of the  
24 Regional Transportation Authority Act; and Section 4 of the  
25 Water Commission Act of 1985, unless the action is brought  
26 by the Attorney General. Nothing in this Section affects

1       the Illinois Income Tax Act exclusion in subsection (c) of  
2       Section 3.

3       (f) State not liable for certain expenses. The State is not  
4       liable for expenses which a person incurs in bringing an action  
5       under this Section.

6       (g) Relief from retaliatory actions.

7           (1) In general, any employee, contractor, or agent  
8       shall be entitled to all relief necessary to make that  
9       employee, contractor, or agent whole, if that employee,  
10      contractor, or agent is discharged, demoted, suspended,  
11      threatened, harassed, or in any other manner discriminated  
12      against in the terms and conditions of employment because  
13      of lawful acts done by the employee, contractor, agent, or  
14      associated others in furtherance of an action under this  
15      Section or other efforts to stop one or more violations of  
16      this Act.

17          (2) Relief under paragraph (1) shall include  
18      reinstatement with the same seniority status that the  
19      employee, contractor, or agent would have had but for the  
20      discrimination, 2 times the amount of back pay, interest on  
21      the back pay, and compensation for any special damages  
22      sustained as a result of the discrimination, including  
23      litigation costs and reasonable attorneys' fees. An action  
24      under this subsection (g) may be brought in the appropriate  
25      circuit court for the relief provided in this subsection  
26      (g).

1           (3) A civil action under this subsection may not be  
2 brought more than 3 years after the date when the  
3 retaliation occurred.

4 (Source: P.A. 96-1304, eff. 7-27-10; 97-978, eff. 8-17-12.)

5           (740 ILCS 175/4.5 new)

6           Sec. 4.5. Actions for false claims relating to certain tax  
7 Acts administered by the Department of Revenue.

8           (a) The Department of Revenue has the sole authority to  
9 bring an administrative action resulting from information  
10 provided by any person alleging a false claim, statement, or  
11 record, as defined in Section 3, pertaining to any tax  
12 administered by the Department of Revenue under a provision  
13 identified in paragraph (5) of subsection (e) of Section 4. The  
14 Attorney General has the sole authority to bring a judicial  
15 action under this Act for a false claim, statement, or record,  
16 as defined in Section 3, pertaining to any tax administered by  
17 the Department of Revenue under a provision identified in  
18 paragraph (5) of subsection (e) of Section 4.

19           (b) A person may provide to the Department of Revenue any  
20 information alleging a false claim, statement, or record, as  
21 defined in Section 3, pertaining to any tax administered by the  
22 Department of Revenue under a provision identified in paragraph  
23 (5) of subsection (e) of Section 4. The Department of Revenue  
24 shall establish, by rule, a procedure for the reporting of any  
25 allegation of a false claim, statement, or record to the

1 Department. The Department of Revenue shall notify the Attorney  
2 General within 60 days of receipt of a report under this  
3 subsection. The Department of Revenue shall investigate all  
4 allegations of a false claim, statement, or record and make a  
5 recommendation to the Attorney General as to whether or not the  
6 Attorney General should bring an action under this Act for all  
7 applicable tax and interest the Department of Revenue  
8 determines is due under the appropriate tax act. The Attorney  
9 General has the ultimate authority to accept or reject the  
10 Department of Revenue's recommendation. Nothing in this  
11 Section limits the authority of the Attorney General to bring  
12 an action under this Act at any time, even in the absence of a  
13 recommendation from the Department of Revenue. A person found  
14 liable in an action under this Act is subject to the assessment  
15 of penalties and damages as specified in Section 3.

16 (c) In exercising its discretion in administering and  
17 enforcing the tax laws, the Department of Revenue may determine  
18 that a person's allegations of a false claim, statement, or  
19 record are best handled within the course of an audit conducted  
20 within the Department of Revenue's normal course of business.  
21 If the Department of Revenue exercises its audit functions and  
22 the audit results in a contested tax assessment, the person  
23 audited shall retain all of his or her legal rights to resolve  
24 the matter in any forum where jurisdiction is proper, including  
25 an administrative hearing before the Department of Revenue, the  
26 Illinois Independent Tax Tribunal, circuit court under the

1 State Officers and Employees Money Disposition Act, or any  
2 other judicial proceeding. Under no circumstances may a person,  
3 other than the person audited and his or her attorney, have any  
4 right to participate in those proceedings, participate in  
5 settlement negotiations, challenge the validity of any  
6 settlement between the Department and any person, or review any  
7 materials subject to the confidentiality provisions of the  
8 underlying tax act. If the Attorney General files an action  
9 under this Act that relates to or involves a false claim  
10 regarding a tax administered by the Department of Revenue under  
11 a provision identified in paragraph (5) of subsection (e) of  
12 Section 4, any Department of Revenue administrative proceeding  
13 that seeks recovery for the same conduct alleged in the  
14 Attorney General's complaint shall be automatically stayed  
15 until resolution of the action brought by the Attorney General  
16 under this Act. However, a Department of Revenue audit or  
17 investigation may not be stayed under this subsection.

18 (d) If the Attorney General proceeds with a judicial action  
19 under this Act based on information brought to the Department  
20 of Revenue's attention by a person, the person shall, subject  
21 to subsection (e), receive as an award an amount equal to at  
22 least 15% but not more than 30% of the collected proceeds  
23 (including penalties, interest, additions to tax, and  
24 additional amounts) resulting from the action and any related  
25 actions, or from any settlement in response to the action,  
26 taking into account the significance of the person's

1 information and the role of the person and any legal  
2 representative of the person in contributing to the action. If  
3 the Department of Revenue proceeds with an administrative  
4 action based on information brought to its attention by a  
5 person, the person shall, subject to subsection (e), receive as  
6 an award an amount equal to at least 10% but not more than 15%  
7 of the collected proceeds (including penalties, interest,  
8 additions to tax, and additional amounts) resulting from the  
9 action or from any settlement in response to the action, taking  
10 into account the significance of the person's information and  
11 the role of the person and any legal representative of the  
12 person in contributing to the action. A person who brings to  
13 the Department's attention information alleging a false claim,  
14 statement, or record, as defined in Section 3, pertaining to  
15 any tax administered by the Department of Revenue under a  
16 provision identified in paragraph (5) of subsection (e) of  
17 Section 4, may not receive any amounts for expenses, attorney's  
18 fees, or costs.

19 (e) In the event the judicial or administrative action  
20 described in subsection (d) is one that the Department of  
21 Revenue determines to be based principally on disclosures of  
22 specific allegations (other than information provided by the  
23 person described in subsection (d)) resulting from a judicial  
24 or administrative hearing, from a governmental report,  
25 hearing, audit, or investigation, or from the news media, the  
26 Department of Revenue may award to the person a sum as the

1 Department of Revenue considers appropriate, but in no case  
2 more than 10%, if any, of the collected proceeds (including  
3 penalties, interest, additions to tax, and additional amounts)  
4 resulting from the action (including any related actions) or  
5 from any settlement in response to the action, taking into  
6 account the significance of the person's information and the  
7 role of the person and any legal representative of the person  
8 in contributing to the action. This subsection does not apply  
9 if the information resulting in the initiation of the  
10 administrative or judicial action described in subsection (d)  
11 was originally provided by the person described in subsection  
12 (d).

13 (f) If the Department of Revenue determines that a claim  
14 for an award under subsection (d) or (e) is brought by a person  
15 who planned and initiated the actions that led to the false  
16 claim and any resulting underpayment of tax, the Department of  
17 Revenue may reduce the award to the extent it considers  
18 appropriate and without limitation. If the person is convicted  
19 of criminal conduct arising from conduct described in this  
20 subsection, the Department of Revenue may not pay any award to  
21 the person.

22 (g) A determination by the Department of Revenue regarding  
23 an award under this Section may be appealed exclusively to the  
24 Court of Claims. An appeal under this subsection must be filed  
25 within 30 days of the Department of Revenue's determination of  
26 an award under this Section.

1           Section 99. Effective date. This Act takes effect January  
2    1, 2020.