



FEDERAL AND STATE FALSE CLAIMS ACT

Contractor Roles and Responsibilities

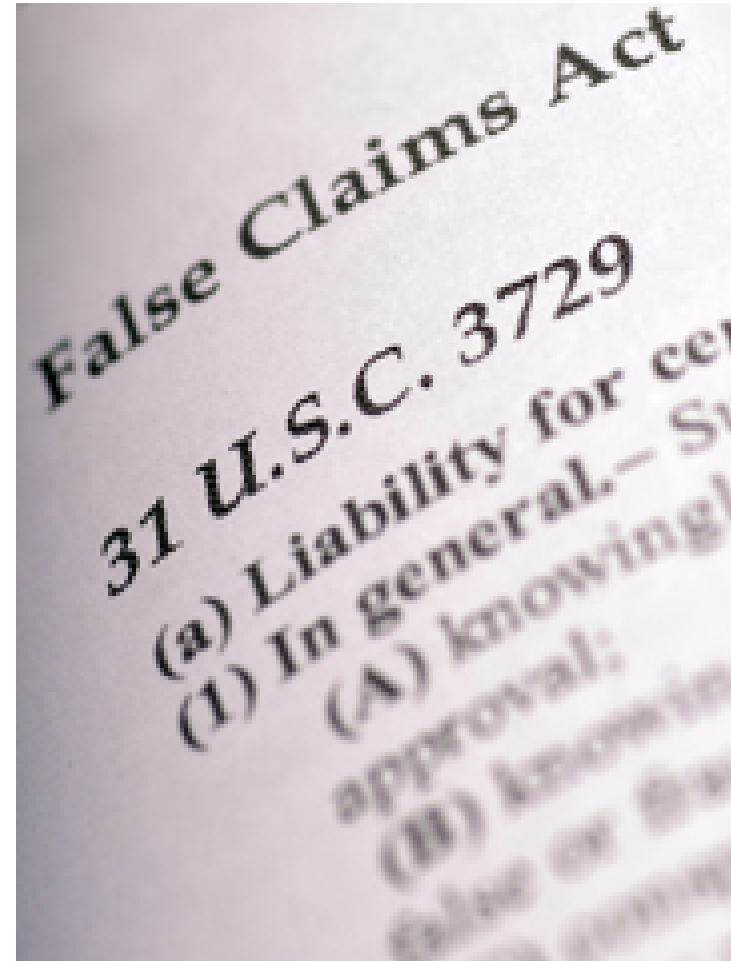


FALSE CLAIMS ACTS



PURPOSE

Enacted to combat fraud, waste and abuse committed by contractors against the United States and the State of California





FEDERAL AND STATE REQUIREMENTS

- **Duty** – to prevent fraud, waste and abuse of taxpayers dollars
- **Obligation** – to report suspected instances of fraud, waste and abuse



LEGALITIES

LIABILITY

- The False Claims Acts establishes liability for any person who:
 - **KNOWINGLY**
 - presents false or fraudulent claims to the US Government or the State of California for payment (or conspires to do so)
 - makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved (or conspires to do so)
 - falsifies a receipt for state property or delivers less property than indicated on the receipt
 - buys or takes a pledge of public property from another not authorized to sell or pledge the property



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LEGALITIES

LIABILITY

- (CONT) The False Claims Acts establishes liability for any person who:
 - **KNOWINGLY**
 - benefits from a false claim to the Government or State
 - makes, uses, or causes to be used a false record which supports a financial or property obligation to the Government, or decreases an obligation to the Government (i.e. tax fraud)
 - Benefits from an inadvertent submission of a false claim and fails to disclose the false claim after discovery



LEGALITIES

“KNOWINGLY”

- Actual knowledge that the information is false
- Acts in deliberate ignorance of whether the information is true or false
- Acts in reckless disregard of whether the information is true or false

PROOF OF SPECIFIC INTENT TO DEFRAUD IS NOT REQUIRED



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LEGALITIES

CIVIL PENALTIES

- Federal False Claims Act
 - Treble (3x) damages, plus
 - \$5,000 to \$10,000 per claim
 - Potential exclusion from Government programs
 - Potential suspension of Federal payments
- California False Claims Act
 - Treble (3x) damages, plus
 - \$5,000 to \$10,000 per claim
 - District Attorney, City Attorney and County Counsel have option to prosecute the claim



LEGALITIES

CIVIL PENALTIES

- Liability Reduction
 - If a false claim occurs, the court may assess “not less than” double (as opposed to 3x) damages and costs, IF within 30 days of discovery:
 - We self report;
 - We fully cooperate with any investigation;
 - No legal proceeding has been commenced regarding the violation;
and
 - We have no knowledge of a governmental investigation of the violation



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WHISTLEBLOWER



- “Qui Tam”
 - Encourages insiders (relators) to come forward with False Claims evidence
- Financial Incentives
 - If the Government does not intervene, the relator may receive between 25% to 30% of any recovery
 - If the Government does intervene, the relator may receive between 15% and 25% of any recovery



WHISTLEBLOWER

- Anti Retaliation Protection – Federal law protects whistleblowers



The County takes all allegations of fraud, waste and abuse very seriously and will review all allegations thoroughly.

Employees reporting these issues can remain anonymous if they wish, to the extent the law allows.



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Steps you should take if you suspect or have knowledge of fraud, waste or abuse of program funds, or just want to discuss a concern:

1. Talk to your Supervisor or Manager
2. Talk to your COR
3. Call the HHSA Compliance Office
Christy Carlson ~ 619.338.2807
4. Call the Office of Ethics and Compliance
Bob Borntrager ~ 619.531.6263
5. Utilize the County Anonymous Hotline
866.549.0004



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REMEMBER

- ~ YOU know the programs better than anyone else
- ~ YOU are in the best position to know when there is a problem or concern
- ~ The best prevention against false claims is YOUR awareness and diligence



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QUESTIONS

