



Capitol Contact by State Representative Steve Simon

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THE MINNESOTA FALSE CLAIMS ACT

Dear Friends,

Defrauding taxpayers is always wrong, but it's even worse during tough times like these. This year, we can do something about fraud by passing the False Claims Act. The law would provide incentives for "whistle-blower" employees to report contractors who knowingly defraud our government – as by intentionally over-billing or under-paying on state contracts. Other states have enjoyed tremendous success with their own False Claims Acts. Minnesota needs one too.

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I'm the author of the Minnesota False Claims Act. President Lincoln enacted the first such law during the Civil War. Since then, twenty-two states have also passed False Claims Acts – and have recovered hundreds of millions of dollars in fraud against the taxpayers in areas like health care, transportation, and building construction.

Here's how it works:

- "Whistle-blower" employees can bring claims directly on behalf of state government.
- Law enforcement authorities may then choose to intervene in the case.
- Employees who uncover knowing misconduct are entitled to a percentage of the ultimate recovery.

Here are the benefits:

- The federal government has promised Minnesota a bonus worth millions of dollars per year just for passing the False Claim Act.
- Minnesota could gain many millions more in taxpayer money lost through fraud.
- Passing the law would deter future fraud against taxpayers.

Here's why it makes sense now:

- Current laws aren't enough. They're either limited to specific kinds of fraud or they fail to provide incentives to those who report fraud.
- Especially at a time of economic crisis, we have to be creative about protecting taxpayer resources.
- The False Claims is a way to recover money for the taxpayers without raising taxes or cutting vital investments.

As always, please feel free to contact me about any issue, idea, or concern.