

HB 839 -- Missouri False Claims and Fraud Prevention Act

Sponsor: McManus

This bill establishes the Missouri False Claims and Fraud Prevention Act. In its main provisions, the act:

- (1) Specifies that any individual who makes certain specified false claims to the state will be liable to the state for a civil penalty of at least \$5,000 but not more than \$10,000 plus three times the amount of damages the state sustains due to the individual's action;
- (2) Allows the court to assess a penalty for the person's actions of at least two times the amount of damages the state sustains and specifies that the person will also be liable to the state for the costs of a civil action brought to recover any penalty or damages;
- (3) Requires the Attorney General to diligently investigate a false claim violation and allows him or her to bring a civil action against any person if a violation is found;
- (4) Allows an individual to bring a civil action on behalf of himself or herself and the state for a false claim violation;
- (5) Requires the complaint in any civil action to be filed in camera, remain under seal for at least 60 days, and not be served on the defendant until the court orders the action to be served;
- (6) Specifies that if the Attorney General chooses not to proceed with the civil action, the individual who initiated the action has the right to conduct the action;
- (7) Requires a civil action for a false claim violation to be brought within six years after the date on which the violation was committed or within three years after the date when facts material to the right of action are known or reasonably should have been known by the state official charged with the responsibility to act in the circumstances but no later than 10 years after the date on which the violation is committed, whichever occurs last;
- (8) Allows the Attorney General or a designee, whenever there is reason to believe a person may be in possession, custody, or control of any documentary material or information relevant to a Missouri False Claims and Fraud Prevention Act investigation, to issue in writing and cause to be served on a person a civil investigation demand prior to commencing a civil proceeding; and
- (9) Entitles any employee, contractor, or agent to all relief

necessary to make that person whole if the person is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done to stop a violation of the act.