
A BILL FOR AN ACT

RELATING TO FALSE CLAIMS TO THE STATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Section 661-21, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Notwithstanding section 661-7 to the contrary, any person who:

(1) Knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval;

(2) Knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim;

(3) Has possession, custody, or control of property or money used, or to be used, by the State and, intending to defraud the State or to wilfully conceal the property, delivers, or causes to be delivered, less property than the amount for which the person receives a certificate or receipt;

(4) Is authorized to make or deliver a document certifying receipt of property used, or to be used by the State



1 and, intending to defraud the State, makes or delivers
2 the receipt without completely knowing that the
3 information on the receipt is true;

4 (5) Knowingly buys, or receives as a pledge of an
5 obligation or debt, public property from any officer
6 or employee of the State who is not lawfully
7 authorized to sell or pledge the property;

8 (6) Knowingly makes, uses, or causes to be made or used, a
9 false record or statement material to an obligation to
10 pay or transmit money or property to the State, or
11 knowingly conceals, or knowingly and improperly avoids
12 or decreases an obligation to pay or transmit money or
13 property to the State;

14 (7) Is a beneficiary of an inadvertent submission of a
15 false claim to the State, who subsequently discovers
16 the falsity of the claim, and fails to disclose the
17 false claim to the State within a reasonable time
18 after discovery of the false claim; or

19 (8) Conspires to commit any of the conduct described in
20 this subsection,



1 shall be liable to the State for a civil penalty of not less
2 than \$5,500 and not more than \$11,000, [~~plus three times the~~
3 ~~amount of damages that the State sustains due to the act of that~~
4 ~~person.~~] except that these upper and lower limits on liability
5 shall automatically increase to equal the civil penalty allowed
6 under the federal False Claims Act, 31 United States Code
7 section 3729, et seq., if and as the penalties in that federal
8 act may be adjusted for inflation as described in that act in
9 accordance with the federal Civil Penalties Inflation Adjustment
10 Act of 1990, Pub. L. No. 101-410, plus three times the amount of
11 damages that the State sustains because of the act of that
12 person."

13 SECTION 2. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 3. This Act shall take effect upon its approval.
16



Report Title:

False Claims to the State

Description:

Amends false claims to the State statute by increasing penalties to maintain consistency with the federal False Claims Act and in order to comply with the federal Civil Penalties Inflation Adjustment Act of 1990. (SD1)

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