

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

DRAFT
12.10.21

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LLS NO. 22-0204.01 Conrad Imel x2313

HOUSE BILL

HOUSE SPONSORSHIP

Gray,

SENATE SPONSORSHIP

(None),

BILL TOPIC: "Colorado False Claims Act"

DEADLINES: Finalize by: JAN 13, 2022 File by: JAN 18, 2022

A BILL FOR AN ACT

101 CONCERNING CIVIL LIABILITY FOR PRESENTING FALSE CLAIMS FOR
102 PAYMENT TO THE STATE.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill establishes the "Colorado False Claims Act" (the act). Pursuant to the act, a person is liable to the state or a political subdivision of the state for a civil penalty if the person commits, conspires to commit, or aids and abets the commission of any of the following (collectively, "false claims"):

- Knowingly presenting, or causing to be presented, a false

- or fraudulent claim for payment or approval;
- Knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim;
- Having possession, custody, or control of property or money used, or to be used, by the state or political subdivision and knowingly delivering, or causing to be delivered, less than all of the money or property;
- Authorizing the making or delivery of a document certifying receipt of property used, or to be used, by the state or political subdivision and, with the intent to defraud the state or political subdivision, making or delivering the receipt without completely knowing that the information on the receipt is true;
- Knowingly buying, or receiving as a pledge of an obligation or debt, public property from an officer or employee of the state or political subdivision who lawfully may not sell or pledge the property; or
- Knowingly making, using, or causing to be made or used a false record or statement material to an obligation to pay or transmit money or property to the state or political subdivision, or knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay or transmit money or property to the state or political subdivision.

A person who makes a false claim is liable to the state or a political subdivision for the same amount provided in the federal "False Claims Act", as adjusted for inflation, plus 3 times the amount of the damages sustained by the state or political subdivision, and the costs incurred for the investigation and prosecution of the false claim.

The bill requires the attorney general or a local prosecutor to investigate false claims. The attorney general, prosecuting authority of a political subdivision, or a private individual (relator) may bring a civil action against a person who made a false claim. The bill permits the attorney general or prosecuting authority of a political subdivision to intervene in an action brought by a relator. A relator may be awarded up to 30% of the proceeds from a false claims action based on the extent the relator contributed to the investigation and prosecution of the false claim. If the relator is an employee of the state or political subdivision and learns information about the false claim in the course of the relator's work, the court will award that amount to the relator's employer.

The bill authorizes the state auditor to share information about potential false claims with the attorney general.

A court cannot hear a false claim action:

- Brought against a serving member of the general assembly,

a member of the state judiciary, or an elected official in the executive branch of the state of Colorado acting in the member's or official's official capacity; or

- Based on the same allegations or transactions that are the subject of a different civil or administrative proceeding.

The bill prohibits retaliatory action against a relator because of the relator's efforts in furtherance of investigating, prosecuting, or stopping false claims. A court hearing a false claims action may hear a claim for retaliation against the relator.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 24-31-101, **amend** (1)(p) and (1)(q); and **add** (1)(r) as follows:

24-31-101. Powers and duties of attorney general. (1) The attorney general:

(p) May bring a civil action to enforce the provisions of section 24-31-113; ~~and~~

(q) May bring a civil action to enforce the provisions of section 24-31-307 (2) or a criminal action to enforce the provisions of section 24-31-307 (3); AND

(r) MAY BRING OR INTERVENE IN A CIVIL ACTION, CONDUCT INVESTIGATIONS, AND ISSUE CIVIL INVESTIGATION DEMANDS PURSUANT TO THE "COLORADO FALSE CLAIMS ACT", PART 12 OF THIS ARTICLE 31.

SECTION 2. In Colorado Revised Statutes, **add** part 12 to article 31 of title 24 as follows:

PART 12

COLORADO FALSE CLAIMS ACT

24-31-1201. Short title. THE SHORT TITLE OF THIS PART 12 IS THE "COLORADO FALSE CLAIMS ACT".

24-31-1202. Definitions. AS USED IN THIS PART 12, UNLESS THE

1 CONTEXT OTHERWISE REQUIRES:

2 (1) (a) "CLAIM" MEANS A REQUEST OR DEMAND, WHETHER UNDER
3 A CONTRACT OR OTHERWISE, FOR MONEY OR PROPERTY AND WHETHER OR
4 NOT THE STATE OR A POLITICAL SUBDIVISION HAS TITLE TO THE MONEY OR
5 PROPERTY, THAT IS:

6 (I) PRESENTED TO AN OFFICER, EMPLOYEE, OR AGENT OF THE
7 STATE OR POLITICAL SUBDIVISION; OR

8 (II) MADE TO A CONTRACTOR, GRANTEE, OR OTHER RECIPIENT, IF
9 THE MONEY OR PROPERTY IS TO BE SPENT OR USED ON THE STATE'S OR
10 POLITICAL SUBDIVISION'S BEHALF OR TO ADVANCE A GOVERNMENT
11 PROGRAM OR INTEREST, AND IF THE STATE OR POLITICAL SUBDIVISION:

12 (A) PROVIDES OR HAS PROVIDED ANY PORTION OF THE MONEY OR
13 PROPERTY REQUESTED OR DEMANDED; OR

14 (B) WILL REIMBURSE SUCH CONTRACTOR, GRANTEE, OR OTHER
15 RECIPIENT FOR ANY PORTION OF THE MONEY OR PROPERTY THAT IS
16 REQUESTED OR DEMANDED.

17 (b) "CLAIM" DOES NOT INCLUDE A REQUEST OR DEMAND FOR
18 MONEY OR PROPERTY THAT THE STATE OR A POLITICAL SUBDIVISION HAS
19 PAID:

20 (I) TO AN INDIVIDUAL AS COMPENSATION FOR EMPLOYMENT BY
21 THE STATE OR A POLITICAL SUBDIVISION;

22 (II) AS AN INCOME SUBSIDY WITH NO RESTRICTIONS ON THAT
23 INDIVIDUAL'S USE OF THE MONEY OR PROPERTY;

24 (III) TO AN INDIVIDUAL AS PART OF A GOVERNMENT ASSISTANCE
25 PROGRAM IN AN AMOUNT LESS THAN FIVE THOUSAND DOLLARS IN A
26 CALENDAR YEAR; OR

27 (IV) TO AN INDIVIDUAL UNDER THE "COLORADO MEDICAL

1 ASSISTANCE ACT", ARTICLES 4, 5, AND 6 OF TITLE 25.5.

2 (2) "DEPARTMENT" MEANS THE DEPARTMENT OF LAW.

3 (3) "FUND" MEANS THE FALSE CLAIMS RECOVERY CASH FUND
4 CREATED IN SECTION 24-31-1209.

5 (4) (a) "KNOWING" OR "KNOWINGLY" MEAN THAT A PERSON, WITH
6 RESPECT TO INFORMATION ABOUT A CLAIM:

7 (I) HAS ACTUAL KNOWLEDGE OF THE INFORMATION;

8 (II) ACTS IN DELIBERATE IGNORANCE OF THE TRUTH OR FALSITY OF
9 THE INFORMATION; OR

10 (III) ACTS IN RECKLESS DISREGARD OF THE TRUTH OR FALSITY OF
11 THE INFORMATION.

12 (b) "KNOWING" OR "KNOWINGLY" DOES NOT REQUIRE PROOF OF
13 SPECIFIC INTENT TO DEFRAUD.

14 (5) "MATERIAL" MEANS HAVING A NATURAL TENDENCY TO
15 INFLUENCE, OR BE CAPABLE OF INFLUENCING, THE PAYMENT OR RECEIPT
16 OF MONEY OR PROPERTY.

17 (6) "OBLIGATION" MEANS AN ESTABLISHED DUTY, WHETHER OR
18 NOT FIXED, ARISING FROM AN EXPRESS OR IMPLIED CONTRACTUAL,
19 GRANTOR-GRANTEE, OR LICENSOR-LICENSEE RELATIONSHIP; FROM A
20 FEE-BASED OR SIMILAR RELATIONSHIP; FROM STATUTE OR REGULATION; OR
21 FROM THE RETENTION OF ANY OVERPAYMENT.

22 (7) "PERSON" MEANS ANY INDIVIDUAL, CORPORATION, BUSINESS
23 TRUST, ESTATE, TRUST, LIMITED LIABILITY COMPANY, PARTNERSHIP,
24 ASSOCIATION, OR OTHER NONGOVERNMENTAL LEGAL ENTITY.

25 (8) "POLITICAL SUBDIVISION" MEANS A TOWN, CITY, COUNTY, OR
26 CITY AND COUNTY.

27 (9) "PROCEEDS" MEANS ALL MONEY, PROPERTY, DAMAGES,

1 DOUBLE DAMAGES, TREBLE DAMAGES, CIVIL PENALTIES, AND PAYMENTS
2 FOR COSTS OF COMPLIANCE, INCLUDING REASONABLE COSTS AND
3 ATTORNEY FEES, REALIZED BY THE STATE OR A POLITICAL SUBDIVISION,
4 WHETHER AS A RESULT OF ANY SETTLEMENT OF OR JUDGMENT ENTERED
5 IN ANY ACTION BROUGHT PURSUANT TO THIS PART 12.

6 (10) "PROSECUTING AUTHORITY" MEANS THE COUNTY ATTORNEY,
7 CITY ATTORNEY, OR OTHER LOCAL GOVERNMENT OFFICIAL, INCLUDING A
8 DULY ELECTED DISTRICT ATTORNEY, CHARGED WITH INVESTIGATING,
9 FILING, AND CONDUCTING CIVIL LEGAL PROCEEDINGS ON BEHALF OF, OR IN
10 THE NAME OF, A PARTICULAR POLITICAL SUBDIVISION.

11 (11) "RELATOR" MEANS A NATURAL PERSON WHO BRINGS A CIVIL
12 ACTION FOR A VIOLATION OF THIS PART 12 ON BEHALF OF HIMSELF OR
13 HERSELF AND THE STATE OR A POLITICAL SUBDIVISION. "RELATOR"
14 INCLUDES A GOVERNMENT EMPLOYEE OTHER THAN A PROSECUTING
15 AUTHORITY WHO, IN THE COURSE OF THE EMPLOYEE'S WORK FOR THE
16 STATE OR A POLITICAL SUBDIVISION, GAINS KNOWLEDGE OF ANY
17 INFORMATION THAT FORMS, IN WHOLE OR IN PART, THE BASIS OF THE CIVIL
18 ACTION.

19 **24-31-1203. False claims - civil liability for certain acts -**
20 **penalty - exception.** (1) SUBJECT TO SUBSECTION (2) OF THIS SECTION
21 AND EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5) OF THIS SECTION,
22 A PERSON IS LIABLE TO THE STATE OR A POLITICAL SUBDIVISION FOR A
23 CIVIL PENALTY IN AMOUNTS ESTABLISHED IN THE FEDERAL "FALSE CLAIMS
24 ACT", 31 U.S.C. SEC. 3729, ET SEQ., AS AMENDED, AS ADJUSTED FOR
25 INFLATION PURSUANT TO 31 U.S.C. SEC. 3729, PLUS THREE TIMES THE
26 AMOUNT OF DAMAGES THAT THE STATE OR POLITICAL SUBDIVISION
27 SUSTAINS BECAUSE OF THE ACT OF THAT PERSON, IF THAT PERSON:

1 (a) KNOWINGLY PRESENTS, OR CAUSES TO BE PRESENTED, A FALSE
2 OR FRAUDULENT CLAIM FOR PAYMENT OR APPROVAL;

3 (b) KNOWINGLY MAKES, USES, OR CAUSES TO BE MADE OR USED A
4 FALSE RECORD OR STATEMENT MATERIAL TO A FALSE OR FRAUDULENT
5 CLAIM;

6 (c) HAS POSSESSION, CUSTODY, OR CONTROL OF PROPERTY OR
7 MONEY USED, OR TO BE USED, BY THE STATE OR POLITICAL SUBDIVISION
8 AND KNOWINGLY DELIVERS, OR CAUSES TO BE DELIVERED, LESS THAN ALL
9 OF THE MONEY OR PROPERTY;

10 (d) AUTHORIZES THE MAKING OR DELIVERY OF A DOCUMENT
11 CERTIFYING RECEIPT OF PROPERTY USED, OR TO BE USED, BY THE STATE OR
12 POLITICAL SUBDIVISION AND, WITH THE INTENT TO DEFRAUD THE STATE OR
13 POLITICAL SUBDIVISION, MAKES OR DELIVERS THE RECEIPT WITHOUT
14 COMPLETELY KNOWING THAT THE INFORMATION ON THE RECEIPT IS TRUE;

15 (e) KNOWINGLY BUYS, OR RECEIVES AS A PLEDGE OF AN
16 OBLIGATION OR DEBT, PUBLIC PROPERTY FROM AN OFFICER OR EMPLOYEE
17 OF THE STATE OR POLITICAL SUBDIVISION WHO LAWFULLY MAY NOT SELL
18 OR PLEDGE THE PROPERTY;

19 (f) KNOWINGLY MAKES, USES, OR CAUSES TO BE MADE OR USED A
20 FALSE RECORD OR STATEMENT MATERIAL TO AN OBLIGATION TO PAY OR
21 TRANSMIT MONEY OR PROPERTY TO THE STATE OR POLITICAL SUBDIVISION,
22 OR KNOWINGLY CONCEALS OR KNOWINGLY AND IMPROPERLY AVOIDS OR
23 DECREASES AN OBLIGATION TO PAY OR TRANSMIT MONEY OR PROPERTY TO
24 THE STATE OR POLITICAL SUBDIVISION; OR

25 (g) CONSPIRES TO COMMIT A VIOLATION OF SUBSECTIONS (1)(a) TO
26 (1)(f) OF THIS SECTION OR AIDS AND ABETS THE COMMISSION OF A
27 VIOLATION OF SUBSECTIONS (1)(a) TO (1)(f) OF THIS SECTION.

1 (2) NOTWITHSTANDING THE AMOUNT OF DAMAGES AUTHORIZED
2 IN SUBSECTION (1) OF THIS SECTION, FOR A PERSON WHO VIOLATES
3 SUBSECTION (1) OF THIS SECTION, THE COURT MAY ASSESS NOT LESS THAN
4 TWICE THE AMOUNT OF DAMAGES THAT THE STATE OR A POLITICAL
5 SUBDIVISION SUSTAINS BECAUSE OF THE ACT OF THE PERSON IF THE COURT
6 FINDS THAT:

7 (a) THE PERSON WHO COMMITTED THE VIOLATION FURNISHED TO
8 THE OFFICIALS OF THE STATE OR POLITICAL SUBDIVISION RESPONSIBLE FOR
9 INVESTIGATING FALSE CLAIMS VIOLATIONS ALL INFORMATION ABOUT THE
10 VIOLATION KNOWN TO THE PERSON AND FURNISHED SAID INFORMATION
11 WITHIN THIRTY DAYS AFTER THE DATE ON WHICH THE PERSON FIRST
12 OBTAINED THE INFORMATION;

13 (b) AT THE TIME THE PERSON FURNISHED THE INFORMATION ABOUT
14 THE VIOLATION TO THE OFFICIALS OF THE STATE OR POLITICAL
15 SUBDIVISION, A CRIMINAL PROSECUTION, CIVIL ACTION, OR
16 ADMINISTRATIVE ACTION HAD NOT COMMENCED WITH RESPECT TO THE
17 VIOLATION AND THE PERSON DID NOT HAVE ACTUAL KNOWLEDGE OF THE
18 EXISTENCE OF AN INVESTIGATION INTO THE VIOLATION; AND

19 (c) THE PERSON FULLY COOPERATED WITH ANY INVESTIGATION OF
20 THE VIOLATION BY THE STATE OR POLITICAL SUBDIVISION.

21 (3) ANY INFORMATION FURNISHED PURSUANT TO SUBSECTION (2)
22 OF THIS SECTION IS EXEMPT FROM DISCLOSURE PURSUANT TO THE
23 "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE 24.

24 (4) A PERSON WHO VIOLATES THIS SECTION IS ALSO LIABLE TO THE
25 STATE OR A POLITICAL SUBDIVISION FOR REASONABLE ATTORNEY FEES
26 AND THE COSTS INCURRED DURING THE ENFORCEMENT OF THIS PART 12.

27 (5) THIS SECTION DOES NOT APPLY TO CLAIMS, RECORDS, OR

1 STATEMENTS MADE PURSUANT TO TITLE 39.

2 **24-31-1204. Civil actions for false claims - claims for**
3 **retaliation - definitions. (1) Responsibility of attorney general.**

4 (a) THE ATTORNEY GENERAL SHALL DILIGENTLY INVESTIGATE A
5 VIOLATION OF SECTION 24-31-1203. IF THE ATTORNEY GENERAL FINDS
6 THAT A PERSON HAS VIOLATED OR IS VIOLATING SECTION 24-31-1203, THE
7 ATTORNEY GENERAL MAY BRING A CIVIL ACTION AGAINST THE PERSON
8 PURSUANT TO THIS SECTION.

9 (b) IF THE ATTORNEY GENERAL BRINGS A CIVIL ACTION PURSUANT
10 TO THIS SECTION ON A CLAIM INVOLVING POLITICAL SUBDIVISION MONEY
11 AS WELL AS STATE MONEY, THE ATTORNEY GENERAL SHALL SERVE BY
12 MAIL, WITH RETURN RECEIPT REQUESTED, A COPY OF THE COMPLAINT ON
13 THE SUBDIVISION'S APPROPRIATE PROSECUTING AUTHORITY ON THE SAME
14 DATE THAT THE COMPLAINT IS FILED IN THE ACTION.

15 (c) WITHIN SIXTY-THREE DAYS AFTER RECEIPT OF THE COMPLAINT
16 PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION, AND SUBJECT TO
17 SUBSECTION (2)(d) OF THIS SECTION. THE PROSECUTING AUTHORITY SHALL
18 HAVE THE RIGHT TO INTERVENE IN AN ACTION BROUGHT BY THE
19 ATTORNEY GENERAL PURSUANT TO THIS SECTION. THE COURT MAY PERMIT
20 THE POLITICAL SUBDIVISION TO INTERVENE THEREAFTER UPON A SHOWING
21 THAT ALL OF THE REQUIREMENTS OF THE COLORADO RULES OF CIVIL
22 PROCEDURE HAVE BEEN MET.

23 (2) **Responsibility of prosecuting authority.** (a) A PROSECUTING
24 AUTHORITY FOR A POLITICAL SUBDIVISION SHALL DILIGENTLY
25 INVESTIGATE A VIOLATION OF SECTION 24-31-1203 INVOLVING A CLAIM
26 FILED WITH THAT POLITICAL SUBDIVISION. IF THE PROSECUTING
27 AUTHORITY FINDS THAT A PERSON HAS VIOLATED OR IS VIOLATING

1 SECTION 24-31-1203, THE PROSECUTING AUTHORITY MAY BRING A CIVIL
2 ACTION AGAINST THE PERSON PURSUANT TO THIS SECTION.

3 (b) IF A PROSECUTING AUTHORITY BRINGS A CIVIL ACTION
4 PURSUANT TO THIS SECTION ON A CLAIM INVOLVING STATE AND POLITICAL
5 SUBDIVISION MONEY, THE PROSECUTING AUTHORITY SHALL SERVE BY
6 MAIL, WITH RETURN RECEIPT REQUESTED, A COPY OF THE COMPLAINT ON
7 THE ATTORNEY GENERAL WITHIN FOURTEEN DAYS AFTER THE DATE THAT
8 THE COMPLAINT IS FILED IN THE ACTION.

9 (c) WITHIN SIXTY-THREE DAYS AFTER RECEIVING THE COMPLAINT
10 PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION, THE ATTORNEY
11 GENERAL SHALL EITHER:

12 (I) NOTIFY THE COURT THAT THE ATTORNEY GENERAL INTENDS TO
13 PROCEED WITH THE ACTION, IN WHICH CASE THE ATTORNEY GENERAL
14 SHALL ASSUME PRIMARY RESPONSIBILITY FOR CONDUCTING THE ACTION
15 AND THE PROSECUTING AUTHORITY HAS THE RIGHT TO CONTINUE AS A
16 PARTY; OR

17 (II) NOTIFY THE COURT THAT THE ATTORNEY GENERAL DECLINES
18 TO TAKE OVER THE ACTION, IN WHICH CASE THE PROSECUTING AUTHORITY
19 HAS THE RIGHT TO CONDUCT THE ACTION.

20 (d) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
21 A POLITICAL SUBDIVISION IS NOT PERMITTED TO BRING AN ACTION
22 PURSUANT TO THIS SUBSECTION (2) OR INTERVENE IN AN ACTION
23 PURSUANT TO SUBSECTION (1)(c) OR (4)(b) OF THIS SECTION WITHOUT THE
24 CONSENT OF THE ATTORNEY GENERAL OR THE ATTORNEY GENERAL'S
25 DESIGNEE.

26 (3) **Role of the office of the state auditor.**

27 (a) NOTWITHSTANDING ANY OTHER STATE LAW REQUIRING THE STATE

1 AUDITOR TO KEEP INFORMATION CONFIDENTIAL, IF IN THE COURSE OF ITS
2 AUDIT AUTHORITY, THE OFFICE OF THE STATE AUDITOR IDENTIFIES
3 INFORMATION OF POTENTIAL FALSE CLAIMS SUBMITTED TO THE STATE OR
4 A POLITICAL SUBDIVISION, THE STATE AUDITOR MAY SHARE ANY
5 INFORMATION WITH THE ATTORNEY GENERAL. THE STATE AUDITOR MAY
6 PARTICIPATE, WITH THE CONSENT OF THE ATTORNEY GENERAL, IN ANY
7 SUBSEQUENT INVESTIGATION OR PROSECUTION OF THAT FALSE CLAIM.

8 (b) IF THE STATE AUDITOR ELECTS TO PARTICIPATE IN ANY
9 INVESTIGATION AND PROSECUTION OF A FALSE CLAIM, THE STATE
10 AUDITOR'S INTERESTS WILL BE REPRESENTED BY THE ATTORNEY GENERAL.

11 (4) **Actions by private persons.** (a) A RELATOR MAY BRING A
12 CIVIL ACTION FOR A VIOLATION OF SECTION 24-31-1203 FOR THE RELATOR
13 AND FOR THE STATE OR A POLITICAL SUBDIVISION THAT IS AFFECTED BY
14 THE VIOLATION. THE ACTION MUST BE BROUGHT IN THE NAME OF THE
15 STATE OR POLITICAL SUBDIVISION. A RELATOR MAY NOT DISMISS AN
16 ACTION UNLESS THE COURT AND THE ATTORNEY GENERAL OR THE
17 PROSECUTING AUTHORITY GIVE WRITTEN CONSENT TO THE DISMISSAL AND
18 THEIR REASONS FOR CONSENTING.

19 (b) THE RELATOR SHALL SERVE ON THE STATE OR POLITICAL
20 SUBDIVISION, PURSUANT TO RULE 4 OF THE COLORADO RULES OF CIVIL
21 PROCEDURE, A COPY OF THE COMPLAINT AND WRITTEN DISCLOSURE OF
22 SUBSTANTIALLY ALL MATERIAL EVIDENCE AND INFORMATION THE
23 RELATOR POSSESSES. THE COMPLAINT MUST BE FILED IN CAMERA, MUST
24 REMAIN UNDER SEAL FOR AT LEAST SIXTY-THREE DAYS, AND MUST NOT BE
25 SERVED ON THE DEFENDANT UNTIL THE COURT SO ORDERS. THE STATE, OR
26 A POLITICAL SUBDIVISION WITH THE CONSENT OF THE ATTORNEY GENERAL,
27 MAY ELECT TO INTERVENE AND PROCEED WITH THE ACTION WITHIN

1 SIXTY-THREE DAYS AFTER IT RECEIVES BOTH THE COMPLAINT AND THE
2 MATERIAL EVIDENCE AND INFORMATION. IF BOTH THE STATE AND
3 POLITICAL SUBDIVISION INTERVENE, THE ATTORNEY GENERAL SHALL
4 ASSUME PRIMARY RESPONSIBILITY FOR CONDUCTING THE ACTION.

5 (c) THE STATE OR POLITICAL SUBDIVISION MAY, FOR GOOD CAUSE
6 SHOWN, MOVE THE COURT FOR EXTENSIONS OF THE TIME DURING WHICH
7 THE COMPLAINT REMAINS UNDER SEAL PURSUANT TO SUBSECTION (4)(b)
8 OF THIS SECTION. THE MOTION MAY BE SUPPORTED BY AFFIDAVITS OR
9 OTHER SUBMISSIONS IN CAMERA. THE DEFENDANT IS NOT REQUIRED TO
10 RESPOND TO ANY COMPLAINT FILED PURSUANT TO THIS SECTION UNTIL
11 TWENTY-ONE DAYS AFTER THE COMPLAINT IS UNSEALED AND SERVED
12 UPON THE DEFENDANT PURSUANT TO RULE 4 OF THE COLORADO RULES OF
13 CIVIL PROCEDURE.

14 (d) BEFORE THE EXPIRATION OF THE SIXTY-THREE-DAY PERIOD
15 PURSUANT TO SUBSECTION (4)(b) OF THIS SECTION AND ANY EXTENSIONS
16 OBTAINED PURSUANT TO SUBSECTION (4)(c) OF THIS SECTION, THE STATE
17 OR POLITICAL SUBDIVISION SHALL:

18 (I) PROCEED WITH THE ACTION, IN WHICH CASE THE STATE OR
19 POLITICAL SUBDIVISION SHALL CONDUCT THE ACTION; OR

20 (II) NOTIFY THE COURT THAT IT DECLINES TO TAKE OVER THE
21 ACTION, IN WHICH CASE THE RELATOR HAS THE RIGHT TO CONTINUE THE
22 ACTION.

23 (e) WHEN A RELATOR BRINGS AN ACTION PURSUANT TO THIS
24 SUBSECTION (4), NO PERSON OTHER THAN THE STATE, OR A POLITICAL
25 SUBDIVISION WITH THE CONSENT OF THE ATTORNEY GENERAL, MAY
26 INTERVENE OR BRING A RELATED ACTION BASED ON THE FACTS
27 UNDERLYING THE PENDING ACTION.

1 **(5) Rights of parties to private actions.** (a) IF THE STATE OR A
2 POLITICAL SUBDIVISION PROCEEDS WITH AN ACTION BROUGHT PURSUANT
3 TO SUBSECTION (4) OF THIS SECTION, IT HAS THE PRIMARY RESPONSIBILITY
4 FOR PROSECUTING THE ACTION AND IS NOT BOUND BY AN ACT OF THE
5 RELATOR. THE RELATOR HAS THE RIGHT TO CONTINUE AS A PARTY TO THE
6 ACTION, SUBJECT TO THE LIMITATIONS SET FORTH IN SUBSECTION (4)(b) OF
7 THIS SECTION.

8 (b) (I) THE STATE OR POLITICAL SUBDIVISION MAY DISMISS THE
9 ACTION NOTWITHSTANDING THE OBJECTIONS OF THE RELATOR IF THE
10 RELATOR HAS BEEN NOTIFIED BY THE STATE OR POLITICAL SUBDIVISION OF
11 THE FILING OF THE MOTION AND THE COURT HAS PROVIDED THE RELATOR
12 WITH AN OPPORTUNITY FOR A HEARING ON THE MOTION.

13 (II) THE STATE OR POLITICAL SUBDIVISION MAY SETTLE THE
14 ACTION WITH THE DEFENDANT NOTWITHSTANDING THE OBJECTIONS OF THE
15 RELATOR IF THE COURT DETERMINES, AFTER A HEARING, THAT THE
16 PROPOSED SETTLEMENT IS FAIR, ADEQUATE, AND REASONABLE UNDER ALL
17 THE CIRCUMSTANCES. UPON A SHOWING OF GOOD CAUSE, THE COURT MAY
18 HOLD THE HEARING IN CAMERA.

19 (III) UPON A SHOWING BY THE STATE OR POLITICAL SUBDIVISION
20 THAT UNRESTRICTED PARTICIPATION DURING THE COURSE OF THE
21 LITIGATION BY THE RELATOR WOULD INTERFERE WITH OR UNDULY DELAY
22 THE STATE'S OR POLITICAL SUBDIVISION'S PROSECUTION OF THE CASE, OR
23 WOULD BE REPETITIOUS, IRRELEVANT, OR FOR PURPOSES OF HARASSMENT,
24 THE COURT MAY, IN ITS DISCRETION, IMPOSE LIMITATIONS ON THE
25 RELATOR'S PARTICIPATION, INCLUDING BUT NOT LIMITED TO:

26 (A) LIMITING THE NUMBER OF WITNESSES THE RELATOR MAY
27 CALL;

1 (B) LIMITING THE LENGTH OF THE TESTIMONY OF THE WITNESSES
2 CALLED BY THE RELATOR;

3 (C) LIMITING THE RELATOR'S CROSS-EXAMINATION OF WITNESSES;
4 AND

5 (D) OTHERWISE LIMITING THE PARTICIPATION BY THE RELATOR IN
6 THE LITIGATION.

7 (IV) UPON A SHOWING BY THE DEFENDANT THAT UNRESTRICTED
8 PARTICIPATION DURING THE COURSE OF THE LITIGATION BY THE RELATOR
9 WOULD BE FOR PURPOSES OF HARASSMENT OR WOULD CAUSE THE
10 DEFENDANT UNDUE BURDEN OR UNNECESSARY EXPENSE, THE COURT MAY
11 LIMIT THE PARTICIPATION BY THE RELATOR IN THE LITIGATION AS
12 DESCRIBED IN SUBSECTION (5)(b)(III) OF THIS SECTION.

13 (c) IF THE STATE OR POLITICAL SUBDIVISION DOES NOT PROCEED
14 WITH AN ACTION AND THE RELATOR CONTINUES THE ACTION, THE COURT
15 SHALL NOT DRAW AN ADVERSE INFERENCE FROM THE FACT THAT THE
16 STATE OR POLITICAL SUBDIVISION HAS ELECTED NOT TO PROCEED WITH
17 THE ACTION . THE FACT THAT THE STATE OR POLITICAL SUBDIVISION HAS
18 ELECTED NOT TO PROCEED WITH THE ACTION IS NOT A BASIS FOR A MOTION
19 TO DISMISS, MOTION FOR DETERMINATION OF A QUESTION OF LAW, OR
20 MOTION FOR SUMMARY JUDGMENT, NOR IS IT A BASIS TO DENY THE COURT
21 JURISDICTION OVER THE ACTION. IF THE STATE OR POLITICAL SUBDIVISION
22 SO REQUESTS, IT MUST BE SERVED WITH COPIES OF ALL PLEADINGS FILED
23 IN THE ACTION AND, AT THE STATE'S OR POLITICAL SUBDIVISION'S
24 EXPENSE, BE SUPPLIED WITH COPIES OF ALL DEPOSITION TRANSCRIPTS.
25 WHEN A RELATOR PROCEEDS WITH THE ACTION, THE COURT, WITHOUT
26 LIMITING THE STATUS AND RIGHTS OF THE RELATOR, MAY NEVERTHELESS
27 PERMIT THE STATE OR POLITICAL SUBDIVISION TO INTERVENE AT A LATER

1 DATE UPON A SHOWING OF GOOD CAUSE.

2 (d) REGARDLESS OF WHETHER THE STATE OR POLITICAL
3 SUBDIVISION PROCEEDS WITH THE ACTION, UPON A SHOWING BY THE STATE
4 OR POLITICAL SUBDIVISION THAT CERTAIN ACTIONS OF DISCOVERY BY THE
5 RELATOR WOULD INTERFERE WITH THE STATE'S OR POLITICAL
6 SUBDIVISION'S INVESTIGATION OR PROSECUTION OF A CRIMINAL OR CIVIL
7 MATTER ARISING OUT OF THE SAME FACTS, THE COURT MAY STAY THE
8 DISCOVERY FOR A PERIOD OF NOT MORE THAN SIXTY-THREE DAYS. THE
9 SHOWING BY THE STATE OR POLITICAL SUBDIVISION MUST BE CONDUCTED
10 IN CAMERA. THE COURT MAY EXTEND THE SIXTY-THREE-DAY PERIOD UPON
11 A FURTHER SHOWING THAT THE STATE OR POLITICAL SUBDIVISION HAS
12 PURSUED THE CRIMINAL OR CIVIL INVESTIGATION OR PROCEEDINGS WITH
13 REASONABLE DILIGENCE AND THAT ANY PROPOSED DISCOVERY IN THE
14 CIVIL ACTION WILL INTERFERE WITH THE ONGOING CRIMINAL OR CIVIL
15 INVESTIGATION OR PROCEEDINGS.

16 (e) NOTWITHSTANDING SUBSECTION (4) OF THIS SECTION, THE
17 STATE OR POLITICAL SUBDIVISION MAY ELECT TO PURSUE ITS CLAIM
18 THROUGH ANY ALTERNATE REMEDY AVAILABLE TO THE STATE OR
19 POLITICAL SUBDIVISION, INCLUDING ANY ADMINISTRATIVE PROCEEDING TO
20 DETERMINE A CIVIL MONEY PENALTY. IF AN ALTERNATE REMEDY IS
21 PURSUED IN ANOTHER PROCEEDING, THE RELATOR HAS THE SAME RIGHTS
22 IN THAT PROCEEDING AS THE RELATOR WOULD HAVE HAD IF THE ACTION
23 HAD CONTINUED PURSUANT TO THIS SECTION. ANY FINDING OF FACT OR
24 CONCLUSION OF LAW MADE IN THE OTHER PROCEEDING THAT HAS BECOME
25 FINAL IS BINDING ON ALL PARTIES TO AN ACTION BROUGHT PURSUANT TO
26 THIS SECTION. FOR PURPOSES OF THIS SUBSECTION (5)(e), A FINDING OR
27 CONCLUSION IS FINAL IF IT HAS BEEN FINALLY DETERMINED ON APPEAL TO

1 THE APPROPRIATE COURT OF THE STATE, IF ALL TIME FOR FILING SUCH AN
2 APPEAL WITH RESPECT TO THE FINDING OR CONCLUSION HAS EXPIRED, OR
3 IF THE FINDING OR CONCLUSION IS NOT SUBJECT TO JUDICIAL REVIEW.

4 (6) **Award to relators.** (a) (I) SUBJECT TO SUBSECTION (6)(a)(II)
5 OF THIS SECTION, IF THE STATE OR A POLITICAL SUBDIVISION PROCEEDS
6 WITH AN ACTION BROUGHT BY A RELATOR PURSUANT TO SUBSECTION (4)
7 OF THIS SECTION, THE COURT SHALL AWARD THE RELATOR AT LEAST
8 FIFTEEN PERCENT BUT NOT MORE THAN TWENTY-FIVE PERCENT OF THE
9 PROCEEDS RECEIVED FROM THE ACTION OR SETTLEMENT OF THE CLAIM,
10 DEPENDING UPON THE EXTENT TO WHICH THE RELATOR SUBSTANTIALLY
11 CONTRIBUTED TO THE INVESTIGATION AND PROSECUTION OF THE ACTION.

12 (II) IF THE COURT FINDS THE ACTION TO BE BASED PRIMARILY ON
13 DISCLOSURES OF SPECIFIC INFORMATION, OTHER THAN INFORMATION
14 PROVIDED BY THE RELATOR, RELATING TO ALLEGATIONS OR
15 TRANSACTIONS IN A CRIMINAL, CIVIL, OR ADMINISTRATIVE HEARING; IN A
16 LEGISLATIVE, ADMINISTRATIVE, OR FORMAL AUDIT REPORT, HEARING, OR
17 INVESTIGATION; OR FROM THE NEWS MEDIA, THE COURT MAY AWARD TO
18 THE RELATOR SUCH SUMS AS IT CONSIDERS APPROPRIATE BUT IN NO CASE
19 MORE THAN TEN PERCENT OF THE PROCEEDS. IN MAKING ITS
20 DETERMINATION, THE COURT SHALL CONSIDER THE SIGNIFICANCE OF THE
21 INFORMATION PROVIDED BY THE RELATOR AND THE ROLE OF THE RELATOR
22 IN ADVANCING THE CASE TO LITIGATION.

23 (III) ANY PAYMENT TO A RELATOR MADE PURSUANT TO THIS
24 SUBSECTION (6)(a) MUST BE MADE FROM THE PROCEEDS. THE COURT
25 SHALL AWARD THE RELATOR AN AMOUNT FOR REASONABLE EXPENSES
26 THAT THE COURT FINDS TO HAVE BEEN NECESSARILY INCURRED, PLUS
27 REASONABLE ATTORNEY FEES AND COSTS. THE COURT SHALL AWARD ALL

1 OF THE EXPENSES, FEES, AND COSTS AGAINST THE DEFENDANT.

2 (IV) IF THE RELATOR IS A GOVERNMENT EMPLOYEE WHO, IN THE
3 COURSE OF THE RELATOR'S WORK FOR THE STATE OR A POLITICAL
4 SUBDIVISION, GAINS KNOWLEDGE OF ANY INFORMATION THAT FORMS, IN
5 WHOLE OR IN PART, THE BASIS OF THE RELATOR'S CLAIM, THE COURT
6 SHALL AWARD TO THE STATE OR POLITICAL SUBDIVISION THAT EMPLOYS
7 THE RELATOR THE AMOUNT THAT WOULD OTHERWISE BE AWARDED TO THE
8 RELATOR PURSUANT TO THIS SUBSECTION (6).

9 (b) IF THE STATE OR POLITICAL SUBDIVISION DOES NOT INTERVENE
10 IN AND PROCEED WITH AN ACTION PURSUANT TO SUBSECTION (4)(b) OF
11 THIS SECTION, THE RELATOR PREVAILING IN THE ACTION OR SETTling THE
12 CLAIM MUST RECEIVE AN AMOUNT THAT THE COURT DECIDES IS
13 REASONABLE FOR COLLECTING THE CIVIL PENALTY AND DAMAGES. THE
14 AMOUNT MUST BE AT LEAST TWENTY-FIVE PERCENT BUT NOT MORE THAN
15 THIRTY PERCENT OF THE PROCEEDS RECEIVED FROM THE ACTION OR
16 SETTLEMENT AND MUST BE PAID OUT OF THE PROCEEDS. THE COURT SHALL
17 AWARD THE RELATOR AN AMOUNT FOR REASONABLE EXPENSES THAT THE
18 COURT FINDS TO HAVE BEEN NECESSARILY INCURRED, PLUS REASONABLE
19 ATTORNEY FEES AND COSTS. THE COURT SHALL AWARD ALL OF THE
20 EXPENSES, FEES, AND COSTS AGAINST THE DEFENDANT.

21 (c) REGARDLESS OF WHETHER THE STATE OR A POLITICAL
22 SUBDIVISION INTERVENES IN AND PROCEEDS WITH AN ACTION PURSUANT
23 TO SUBSECTION (4)(b) OF THIS SECTION, IF THE COURT FINDS THAT THE
24 ACTION WAS BROUGHT BY A RELATOR WHO PLANNED AND INITIATED THE
25 VIOLATION OF SECTION 24-31-1203 UPON WHICH THE ACTION WAS
26 BROUGHT, THE COURT MAY, TO THE EXTENT THE COURT CONSIDERS
27 APPROPRIATE, REDUCE THE SHARE OF THE PROCEEDS OF THE ACTION THAT

1 THE RELATOR WOULD OTHERWISE RECEIVE PURSUANT TO THIS SUBSECTION
2 (6), TAKING INTO ACCOUNT THE ROLE OF THE RELATOR IN ADVANCING THE
3 CASE TO LITIGATION AND ANY RELEVANT CIRCUMSTANCES PERTAINING TO
4 THE VIOLATION. IF THE RELATOR IS CONVICTED OF CRIMINAL CONDUCT
5 ARISING FROM HIS OR HER ROLE IN THE VIOLATION OF SECTION
6 24-31-1203, THE COURT SHALL DISMISS THE RELATOR FROM THE CIVIL
7 ACTION AND THE RELATOR MUST NOT RECEIVE ANY SHARE OF THE
8 PROCEEDS OF THE ACTION. SUCH DISMISSAL DOES NOT PREJUDICE THE
9 RIGHT OF THE STATE OR POLITICAL SUBDIVISION TO CONTINUE THE ACTION.

10 (d) IF THE STATE OR A POLITICAL SUBDIVISION DOES NOT
11 INTERVENE IN AND PROCEED WITH AN ACTION PURSUANT TO SUBSECTION
12 (4)(b) OF THIS SECTION AND THE RELATOR PURSUES THE ACTION, THE
13 COURT MAY AWARD TO THE DEFENDANT REASONABLE ATTORNEY FEES
14 AND EXPENSES IF THE DEFENDANT PREVAILS IN THE ACTION AND THE
15 COURT FINDS THAT THE CLAIM OF THE RELATOR WAS CLEARLY FRIVOLOUS,
16 CLEARLY VEXATIOUS, OR BROUGHT PRIMARILY FOR PURPOSES OF
17 HARASSMENT.

18 (7) **Certain actions barred.** (a) A COURT DOES NOT HAVE
19 JURISDICTION OVER AN ACTION BROUGHT PURSUANT TO THIS SECTION:

20 (I) AGAINST A SERVING MEMBER OF THE GENERAL ASSEMBLY, A
21 MEMBER OF THE STATE JUDICIARY, OR AN ELECTED OFFICIAL IN THE
22 EXECUTIVE BRANCH OF THE STATE OF COLORADO ACTING IN THE
23 MEMBER'S OR OFFICIAL'S OFFICIAL CAPACITY; OR

24 (II) IF THE ACTION IS BROUGHT BY A RELATOR PURSUANT TO
25 SUBSECTION (4) OF THIS SECTION AND IS BASED ON EVIDENCE OR
26 INFORMATION KNOWN TO THE STATE OR POLITICAL SUBDIVISION WHEN THE
27 ACTION WAS BROUGHT.

1 (b) A RELATOR MAY NOT BRING AN ACTION PURSUANT TO
2 SUBSECTION (4) OF THIS SECTION THAT IS BASED UPON ALLEGATIONS OR
3 TRANSACTIONS THAT ARE THE SUBJECT OF A CIVIL SUIT IN A COURT OF THIS
4 STATE OR AN ADMINISTRATIVE CIVIL MONEY PENALTY PROCEEDING IN
5 WHICH THE STATE OR A POLITICAL SUBDIVISION IS ALREADY A PARTY.

6 (c) (I) A COURT SHALL DISMISS AN ACTION OR CLAIM BROUGHT
7 PURSUANT TO SUBSECTION (4) OF THIS SECTION IF THE ACTION PURSUED BY
8 THE RELATOR IS BASED UPON SUBSTANTIALLY THE SAME ALLEGATIONS OR
9 TRANSACTIONS PUBLICLY DISCLOSED IN A CRIMINAL, CIVIL, OR
10 ADMINISTRATIVE HEARING; IN A LEGISLATIVE, ADMINISTRATIVE, OR
11 FORMAL AUDIT REPORT, HEARING, OR INVESTIGATION; OR FROM THE NEWS
12 MEDIA, UNLESS:

13 (A) THE STATE OR A POLITICAL SUBDIVISION INTERVENES AND
14 PROSECUTES THE ACTION PURSUANT TO SUBSECTION (4)(b) OF THIS
15 SECTION;

16 (B) THE STATE OR POLITICAL SUBDIVISION OPPOSES DISMISSAL; OR

17 (C) THE RELATOR IS AN ORIGINAL SOURCE OF THE INFORMATION
18 THAT IS THE BASIS FOR THE ACTION.

19 (II) AS USED IN THIS SUBSECTION (7)(c), "ORIGINAL SOURCE"
20 MEANS AN INDIVIDUAL WHO:

21 (A) PRIOR TO PUBLIC DISCLOSURE PURSUANT TO SUBSECTION
22 (7)(c)(I) OF THIS SECTION, HAS VOLUNTARILY DISCLOSED TO THE STATE OR
23 POLITICAL SUBDIVISION THE INFORMATION ON WHICH THE ALLEGATIONS
24 OR TRANSACTIONS IN A CLAIM ARE BASED; OR

25 (B) HAS KNOWLEDGE THAT IS INDEPENDENT OF AND MATERIALLY
26 ADDS TO THE PUBLICLY DISCLOSED ALLEGATIONS OR TRANSACTIONS AND
27 HAS VOLUNTARILY PROVIDED THE INFORMATION TO THE STATE OR

1 POLITICAL SUBDIVISION BEFORE FILING AN ACTION PURSUANT TO
2 SUBSECTION (4) OF THIS SECTION.

3 (8) **State or political subdivision not liable for certain**
4 **expenses.** THE STATE OR A POLITICAL SUBDIVISION IS NOT LIABLE FOR
5 EXPENSES THAT A RELATOR INCURS IN BRINGING AN ACTION PURSUANT TO
6 THIS SECTION.

7 (9) **Private action for retaliation.** (a) AS USED IN THIS
8 SUBSECTION (9), UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 (I) "CONFIDENTIAL INFORMATION" INCLUDES DOCUMENTS;
10 E-MAILS AND OTHER ELECTRONIC DATA; MEDICAL RECORDS; FINANCIAL
11 RECORDS; TRADE SECRET INFORMATION; INTELLECTUAL PROPERTY; OR
12 INFORMATION THAT IS SUBJECT TO AN EMPLOYMENT AGREEMENT,
13 CONFIDENTIALITY AGREEMENT, OR NONDISCLOSURE AGREEMENT OR FOR
14 WHICH THE RELATOR HAS A FIDUCIARY OBLIGATION TO MAINTAIN AS
15 CONFIDENTIAL.

16 (II) "LAWFUL ACTS" INCLUDES, BUT IS NOT LIMITED TO, THE
17 FOLLOWING:

18 (A) CONDUCTING OR ASSISTING WITH AN INVESTIGATION FOR,
19 INITIATION OF, TESTIMONY FOR, OR ASSISTANCE IN AN ACTION FILED OR TO
20 BE FILED PURSUANT TO THIS SECTION;

21 (B) MEETING WITH POTENTIAL OR RETAINED COUNSEL OR AGENTS
22 OR REPRESENTATIVES OF THE STATE OR POLITICAL SUBDIVISION ABOUT
23 THE MATTER THAT IS THE SUBJECT OF AN ACTION FILED PURSUANT TO THIS
24 SECTION;

25 (C) PROVIDING THE RELATOR'S COUNSEL OR AGENTS OR
26 REPRESENTATIVES OF THE STATE OR THE POLITICAL SUBDIVISION WITH
27 CONFIDENTIAL INFORMATION; OR

1 (D) FILING AN ACTION PURSUANT TO THIS SECTION.

2 (b) A RELATOR IS ENTITLED TO ALL RELIEF NECESSARY TO MAKE
3 THE RELATOR WHOLE IF THE RELATOR IS DISCHARGED, DEMOTED,
4 SUSPENDED, THREATENED, HARASSED, INTIMIDATED, SUED, DEFAMED, OR
5 IN ANY OTHER MANNER RETALIATED AGAINST OR DISCRIMINATED AGAINST
6 IN THE TERMS AND CONDITIONS OF THE RELATOR'S EMPLOYMENT,
7 CONTRACT, BUSINESS, OR PROFESSION BY THE DEFENDANT OR BY ANY
8 OTHER PERSON BECAUSE OF LAWFUL ACTS DONE BY THE RELATOR IN
9 FURTHERANCE OF AN ACTION BROUGHT PURSUANT TO THIS SECTION OR IN
10 FURTHERANCE OF AN EFFORT TO STOP ANY VIOLATIONS OF SECTION
11 24-31-1203.

12 (c) (I) IF THE DISCLOSURE OF CONFIDENTIAL INFORMATION IS IN
13 FURTHERANCE OF AN ACTION BROUGHT PURSUANT TO THIS SECTION OR IN
14 FURTHERANCE OF AN EFFORT TO STOP ANY VIOLATION OF SECTION
15 24-31-1203, A RELATOR HAS A PRIVILEGE TO DISCLOSE THE CONFIDENTIAL
16 INFORMATION TO:

17 (A) THE RELATOR'S COUNSEL;

18 (B) A PERSON WITH WHOM THE RELATOR HAS A STATUTORY OR
19 COMMON LAW PRIVILEGE; OR

20 (C) AN AGENT OR AUTHORIZED REPRESENTATIVE OF THE STATE OR
21 POLITICAL SUBDIVISION.

22 (II) THE RELATOR'S DISCLOSURE OF CONFIDENTIAL INFORMATION
23 TO THE RELATOR'S COUNSEL OR TO AN AGENT OR AUTHORIZED
24 REPRESENTATIVE OF THE STATE OR POLITICAL SUBDIVISION DOES NOT
25 CONSTITUTE A WAIVER BY A DEFENDANT OF ANY RIGHT OR PRIVILEGE
26 THAT THE DEFENDANT MAY BE ENTITLED TO INVOKE.

27 (d) (I) A RELATOR SEEKING RELIEF PURSUANT TO THIS SUBSECTION

1 (9) MAY SEEK RELIEF BY:

2 (A) FILING A MOTION IN THE ACTION BROUGHT PURSUANT TO
3 SUBSECTION (4) OF THIS SECTION; OR

4 (B) BRINGING A SEPARATE ACTION IN AN APPROPRIATE COURT OF
5 THE STATE FOR THE RELIEF PROVIDED PURSUANT TO THIS SUBSECTION (9).

6 (II) A RELATOR WHO SEEKS RELIEF PURSUANT TO THIS SUBSECTION
7 (9) IS ENTITLED TO ALL RELIEF NECESSARY TO MAKE THE RELATOR WHOLE.

8 THE RELIEF MUST INCLUDE, BUT IS NOT LIMITED TO:

9 (A) IF THE RELATOR IS AN EMPLOYEE, REINSTATEMENT WITH THE
10 SAME SENIORITY STATUS THE RELATOR WOULD HAVE HAD BUT FOR THE
11 DISCRIMINATION, TWICE THE AMOUNT OF BACK PAY, AND INTEREST ON THE
12 BACK PAY;

13 (B) IF THE RELATOR IS A CONTRACTOR, SUBCONTRACTOR, OR
14 INDEPENDENT CONTRACTOR, REINSTATEMENT OF A CONTRACT OR
15 SUBCONTRACT THAT WAS CANCELED, NONRENEWED, OR MODIFIED
16 BECAUSE OF RETALIATION, WITH ALL COMPENSATION OR CONTRACTUAL
17 CONSIDERATION THAT THE RELATOR WOULD HAVE RECEIVED HAD THE
18 CONTRACT OR SUBCONTRACT NOT BEEN CANCELED, NONRENEWED, OR
19 MODIFIED; AND

20 (C) COMPENSATION FOR ANY SPECIAL DAMAGES SUSTAINED AS A
21 RESULT OF THE DISCRIMINATION OR RETALIATION, INCLUDING LITIGATION
22 COSTS AND REASONABLE ATTORNEY FEES.

23 (e) (I) THE COURT SHALL AWARD THE RELATOR NOT LESS THAN
24 THE DAMAGES DESCRIBED IN SUBSECTION (9)(d)(II) OF THIS SECTION IF A
25 DEFENDANT, EMPLOYER, OR OTHER PERSON RETALIATES AGAINST A
26 RELATOR BY BRINGING ANOTHER ACTION AGAINST THE RELATOR FOR:

27 (A) ACTS LATER DETERMINED TO BE LAWFUL ACTS;

1 (B) DISCLOSURE OF CONFIDENTIAL INFORMATION TO COUNSEL OR
2 AN AGENT OR REPRESENTATIVE OF THE STATE OR POLITICAL SUBDIVISION
3 PURSUANT TO THIS SUBSECTION (9);

4 (C) VIOLATING AN EMPLOYMENT CONTRACT, CONFIDENTIALITY
5 AGREEMENT, NONDISCLOSURE AGREEMENT, OR OTHER AGREEMENT; OR

6 (D) COMMITTING ANY OTHER TORT OR BREACH OF DUTY AND THE
7 COURT HEARING THE ACTION DETERMINES BY A PREPONDERANCE OF THE
8 EVIDENCE THAT THE DEFENDANT, EMPLOYER, OR OTHER PERSON BROUGHT
9 THE LAWSUIT AGAINST THE RELATOR PRIMARILY FOR THE PURPOSE OF
10 RETALIATING AGAINST THE RELATOR.

11 (II) IN ADDITION TO ANY OTHER REMEDY OR SHARE OF THE
12 PROCEEDS OF THE ACTION TO WHICH THE RELATOR IS ENTITLED PURSUANT
13 TO THIS SUBSECTION (9) AND REGARDLESS OF WHETHER THE RELATOR IS
14 DETERMINED TO BE ENTITLED TO SHARE IN THE PROCEEDS OF THE ACTION
15 OR CLAIM FILED PURSUANT TO SUBSECTION (4) OF THIS SECTION, IN
16 ADDITION TO ANY OTHER CONSEQUENTIAL DAMAGES PERMITTED BY LAW,
17 THE DAMAGES FOR A VIOLATION OF SUBSECTION (9)(e) OF THIS SECTION
18 MUST BE NOT LESS THAN:

19 (A) TWICE THE RELATOR'S ACTUAL ATTORNEY FEES AND COSTS IF
20 THE DEFENDANT, EMPLOYER, OR OTHER PERSON BROUGHT THE LAWSUIT
21 AGAINST THE RELATOR IN A COURT IN THE STATE OF COLORADO; OR

22 (B) THREE TIMES THE RELATOR'S ACTUAL ATTORNEY FEES AND
23 COSTS IF THE DEFENDANT, EMPLOYER, OR OTHER PERSON BROUGHT THE
24 LAWSUIT IN A JURISDICTION OUTSIDE OF COLORADO.

25 (f) (I) THE COURT HEARING THE ACTION BROUGHT PURSUANT TO
26 SUBSECTION (4) OF THIS SECTION HAS JURISDICTION TO HEAR A PRIVATE
27 ACTION OR MOTION FOR RETALIATION BROUGHT PURSUANT TO THIS

1 SUBSECTION (9).

2 (II) UPON MOTION BY THE RELATOR, THE VENUE OF AN ACTION
3 FILED IN ANOTHER COURT OF THE STATE OF COLORADO AGAINST THE
4 RELATOR BY THE DEFENDANT, THE RELATOR'S EMPLOYER, OR OTHER
5 PERSON ARISING OUT OF THE SUBJECT MATTER OF THE ACTION BROUGHT
6 PURSUANT TO SUBSECTION (4) OF THIS SECTION MUST BE CHANGED TO THE
7 COURT HEARING THE ACTION BROUGHT PURSUANT TO SUBSECTION (4) OF
8 THIS SECTION.

9 (10) **Discovery in other actions.** (a) IF A RELATOR IS A PARTY TO
10 OR WITNESS IN AN ACTION OTHER THAN AN ACTION BROUGHT PURSUANT
11 TO SUBSECTION (4) OF THIS SECTION, AND A PARTY IN THE OTHER ACTION
12 SEEKS DISCOVERY FROM THE RELATOR OF INFORMATION ABOUT OTHER
13 LAWSUITS, WHICH DISCOVERY WOULD REQUIRE THE RELATOR TO DISCLOSE
14 INFORMATION ABOUT AN ACTION FILED PURSUANT TO SUBSECTION (4) OF
15 THIS SECTION WHILE THAT ACTION IS STILL UNDER SEAL, THE RELATOR
16 SHALL:

17 (I) WITHIN A REASONABLE TIME, NOTIFY THE STATE OR POLITICAL
18 SUBDIVISION INVESTIGATING THE ACTION BROUGHT PURSUANT TO
19 SUBSECTION (4) OF THIS SECTION OF THE PENDING DISCOVERY REQUEST;
20 AND

21 (II) RESPOND TO THE DISCOVERY REQUEST BY STATING ONLY THAT
22 THE MATTER IS CONFIDENTIAL, WITHOUT FURTHER ELABORATION, AND
23 SHALL MAINTAIN THAT RESPONSE UNTIL THE STATE OR POLITICAL
24 SUBDIVISION ELECTS TO PROCEED OR NOT PROCEED WITH THE ACTION
25 BROUGHT PURSUANT TO SUBSECTION (4) OF THIS SECTION OR UNTIL THE
26 COURT LIFTS THE SEAL.

27 (b) IF NECESSARY, IN AN ACTION OTHER THAN AN ACTION

1 BROUGHT PURSUANT TO SUBSECTION (4) OF THIS SECTION, THE RELATOR,
2 THE ATTORNEY GENERAL, OR THE PROSECUTING AUTHORITY MAY FILE AN
3 EX PARTE MOTION, IN CAMERA AND UNDER SEAL, SEEKING A PROTECTIVE
4 ORDER OR AN EXTENSION OF TIME FOR THE RELATOR TO RESPOND TO A
5 DISCOVERY REQUEST. IF A PARTY IN THE OTHER ACTION MOVES TO COMPEL
6 AN ANSWER TO THE DISCOVERY, THE RELATOR SHALL FILE, EX PARTE AND
7 IN CAMERA, A RESPONSE TO THE MOTION TO COMPEL, IN WHICH THE
8 ATTORNEY GENERAL OR PROSECUTING AUTHORITY MAY JOIN. THE
9 RESPONSE TO THE MOTION TO COMPEL MUST REMAIN UNDER SEAL UNTIL
10 SUCH TIME AS THE STATE OR POLITICAL SUBDIVISION ELECTS TO PROCEED
11 OR NOT PROCEED WITH THE ACTION OR UNTIL SUCH TIME AS THE COURT
12 LIFTS THE SEAL.

13 **24-31-1205. False claims action procedures - limitation on**
14 **action - standard of proof.** (1) A CIVIL ACTION PURSUANT TO SECTION
15 24-31-1204 MAY NOT BE BROUGHT AFTER THE LATER OF:

16 (a) MORE THAN SIX YEARS AFTER THE DATE ON WHICH THE
17 VIOLATION OF SECTION 24-31-1203 IS COMMITTED OR THE DATE ON WHICH
18 THE LAST IN A SERIES OF SUCH ACTS OR PRACTICES OCCURRED,
19 WHICHEVER IS LATER; OR

20 (b) MORE THAN THREE YEARS AFTER THE DATE ON WHICH FACTS
21 MATERIAL TO THE RIGHT OF ACTION ARE KNOWN OR REASONABLY SHOULD
22 HAVE BEEN KNOWN BY THE OFFICIAL OF THE STATE OR A POLITICAL
23 SUBDIVISION CHARGED WITH RESPONSIBILITY TO ACT IN THE
24 CIRCUMSTANCES, BUT IN NO EVENT MORE THAN TEN YEARS AFTER THE
25 DATE ON WHICH THE VIOLATION OF SECTION 24-31-1203 WAS COMMITTED.

26 (2) (a) IF THE STATE OR A POLITICAL SUBDIVISION ELECTS TO
27 INTERVENE AND PROCEED WITH AN ACTION BROUGHT PURSUANT TO

1 SECTION 24-31-1204, THE STATE OR POLITICAL SUBDIVISION MAY FILE ITS
2 OWN COMPLAINT OR AMEND THE RELATOR'S COMPLAINT TO:

3 (I) CLARIFY AND ADD DETAIL, AND ADD ADDITIONAL DEFENDANTS,
4 TO THE CLAIMS IN WHICH THE STATE OR POLITICAL SUBDIVISION IS
5 INTERVENING; AND

6 (II) ADD ANY ADDITIONAL CLAIMS AND DEFENDANTS WITH
7 RESPECT TO WHICH THE STATE OR POLITICAL SUBDIVISION CONTENDS IT IS
8 ENTITLED TO RELIEF.

9 (b) FOR STATUTE OF LIMITATIONS PURPOSES, ANY PLEADINGS BY
10 THE STATE OR POLITICAL SUBDIVISION RELATE BACK TO THE FILING DATE
11 OF THE RELATOR'S COMPLAINT, TO THE EXTENT THAT THE STATE'S OR
12 POLITICAL SUBDIVISION'S CLAIM ARISES OUT OF THE CONDUCT,
13 TRANSACTIONS, OR OCCURRENCES SET FORTH, OR ATTEMPTED TO BE SET
14 FORTH, IN THE ORIGINAL COMPLAINT OF THE RELATOR.

15 (3) IN AN ACTION BROUGHT PURSUANT TO SECTION 24-31-1204,
16 THE STATE, POLITICAL SUBDIVISION, OR RELATOR MUST PROVE ALL
17 ESSENTIAL ELEMENTS OF THE CAUSE OF ACTION, INCLUDING DAMAGES, BY
18 A PREPONDERANCE OF THE EVIDENCE.

19 (4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE
20 COLORADO RULES OF CRIMINAL PROCEDURE, OR THE COLORADO RULES OF
21 EVIDENCE, A FINAL JUDGMENT RENDERED IN FAVOR OF THE STATE OR A
22 POLITICAL SUBDIVISION IN A CRIMINAL PROCEEDING CHARGING FRAUD OR
23 FALSE STATEMENTS, WHETHER UPON A VERDICT AFTER TRIAL OR UPON A
24 PLEA OF GUILTY OR NOLO CONTENDERE, SHALL ESTOP THE DEFENDANT
25 FROM DENYING THE ESSENTIAL ELEMENTS OF THE OFFENSE IN ANY ACTION
26 THAT INVOLVES THE SAME TRANSACTION AS IN THE CRIMINAL PROCEEDING
27 AND THAT IS BROUGHT PURSUANT TO SECTION 24-31-1204.

1 **24-31-1206. Jurisdiction.** AN ACTION DESCRIBED IN THIS PART 12
2 MAY BE BROUGHT IN ANY JUDICIAL DISTRICT IN WHICH THE DEFENDANT
3 OR, IN THE CASE OF MULTIPLE DEFENDANTS, ANY ONE DEFENDANT CAN BE
4 FOUND, RESIDES, OR TRANSACTS BUSINESS, OR IN WHICH AN ACT
5 PROSCRIBED BY SECTION 24-31-1203 OCCURRED. THE APPROPRIATE
6 DISTRICT COURT SHALL ISSUE A SUMMONS AS REQUIRED BY THE
7 COLORADO RULES OF CIVIL PROCEDURE AND SERVE THE SUMMONS AT ANY
8 PLACE.

9 **24-31-1207. False claims civil investigation demands.**

10 (1) WHEN THE ATTORNEY GENERAL HAS REASONABLE CAUSE TO BELIEVE
11 THAT ANY PERSON, WHETHER IN THIS STATE OR ELSEWHERE, HAS ENGAGED
12 IN OR IS ENGAGING IN ANY VIOLATION OF SECTION 24-31-1203, THE
13 ATTORNEY GENERAL MAY:

14 (a) REQUEST THE PERSON FILE A STATEMENT OR REPORT IN
15 WRITING UNDER OATH OR OTHERWISE, ON FORMS PRESCRIBED BY THE
16 ATTORNEY GENERAL, AS TO ALL FACTS AND CIRCUMSTANCES CONCERNING
17 THE ALLEGED VIOLATIONS BY THE PERSON AND ANY OTHER DATA AND
18 INFORMATION THE ATTORNEY GENERAL DEEMS NECESSARY;

19 (b) EXAMINE UNDER OATH ANY PERSON IN CONNECTION WITH THE
20 ALLEGED VIOLATIONS;

21 (c) EXAMINE ANY PROPERTY OR SAMPLE THEREOF, RECORD, BOOK,
22 DOCUMENT, ACCOUNT, OR PAPER THE ATTORNEY GENERAL DEEMS
23 NECESSARY;

24 (d) MAKE TRUE COPIES, AT THE EXPENSE OF THE ATTORNEY
25 GENERAL, OF ANY RECORD, BOOK, DOCUMENT, ACCOUNT, OR PAPER
26 EXAMINED PURSUANT TO SUBSECTION (1)(c) OF THIS SECTION, WHICH
27 COPIES MAY BE OFFERED INTO EVIDENCE IN LIEU OF THE ORIGINALS

1 THEREOF IN AN ACTION BROUGHT PURSUANT TO THIS PART 12; AND

2 (e) PURSUANT TO ANY ORDER OF ANY DISTRICT COURT, IMPOUND
3 ANY SAMPLE OF PROPERTY THAT IS MATERIAL TO ANY ALLEGED VIOLATION
4 OF THIS PART 12 AND RETAIN THE SAME IN THE ATTORNEY GENERAL'S
5 POSSESSION UNTIL COMPLETION OF ALL PROCEEDINGS UNDERTAKEN
6 PURSUANT TO THIS PART 12. A DISTRICT COURT SHALL NOT ISSUE AN
7 ORDER DESCRIBED IN THIS SUBSECTION (1)(e) WITHOUT GIVING FULL
8 OPPORTUNITY TO THE ACCUSED TO BE HEARD AND UNLESS THE ATTORNEY
9 GENERAL HAS PROVEN BY CLEAR AND CONVINCING EVIDENCE THAT THE
10 ORDER WILL NOT IMPAIR THE BUSINESS ACTIVITIES OF THE PERSON TO
11 WHOM THE ORDER IS DIRECTED.

12 (2) WHEN THE ATTORNEY GENERAL HAS REASONABLE CAUSE TO
13 BELIEVE THAT A PERSON, WHETHER IN THIS STATE OR ELSEWHERE, HAS
14 ENGAGED IN OR IS ENGAGING IN A VIOLATION OF SECTION 24-31-1203, THE
15 ATTORNEY GENERAL MAY ISSUE SUBPOENAS TO REQUIRE THE
16 ATTENDANCE OF WITNESSES OR THE PRODUCTION OF DOCUMENTS,
17 ADMINISTER OATHS, CONDUCT HEARINGS IN AID OF ANY INVESTIGATION OR
18 INQUIRY, AND PRESCRIBE SUCH FORMS AS MAY BE NECESSARY TO
19 ADMINISTER THIS PART 12.

20 (3) THE ATTORNEY GENERAL MAY ISSUE SUBPOENAS TO ANY
21 PUBLIC OR PRIVATE CORPORATION OR PARTNERSHIP OR ASSOCIATION OR
22 GOVERNMENTAL ENTITY TO PRODUCE WITNESSES TO APPEAR AND GIVE
23 ORAL TESTIMONY AT INVESTIGATIVE HEARINGS. THE SUBPOENAS MAY
24 DESIGNATE WITH REASONABLE PARTICULARITY THE MATTERS ON WHICH
25 EXAMINATION IS REQUESTED. IN RESPONSE TO THE SUBPOENA, THE ENTITY
26 SHALL DESIGNATE ONE OR MORE OFFICERS, DIRECTORS, OR MANAGING
27 AGENTS, OR DESIGNATE OTHER PERSONS, TO TESTIFY ON ITS BEHALF.

1 (4) A NOTICE OR SUBPOENA MAY BE SERVED IN THE MANNER
2 PRESCRIBED BY LAW OR AS PROVIDED IN RULE 4 OF THE COLORADO RULES
3 OF CIVIL PROCEDURE.

4 (5) (a) IF THE RECORDS OF A PERSON WHO HAS BEEN ISSUED A
5 SUBPOENA ARE LOCATED OUTSIDE THIS STATE, THE PERSON SHALL EITHER:

6 (I) MAKE THEM AVAILABLE TO THE ATTORNEY GENERAL EITHER
7 ELECTRONICALLY OR AT A CONVENIENT LOCATION WITHIN THIS STATE; OR

8 (II) PAY THE REASONABLE AND NECESSARY EXPENSES FOR THE
9 ATTORNEY GENERAL, OR THE ATTORNEY GENERAL'S DESIGNEE, TO
10 EXAMINE THE RECORDS AT THE PLACE WHERE THEY ARE MAINTAINED.

11 (b) THE ATTORNEY GENERAL MAY DESIGNATE REPRESENTATIVES,
12 INCLUDING COMPARABLE OFFICIALS OF THE STATE IN WHICH THE RECORDS
13 ARE LOCATED, TO INSPECT THE RECORDS ON BEHALF OF THE ATTORNEY
14 GENERAL.

15 (6) IF ANY PERSON FAILS TO COOPERATE WITH ANY INVESTIGATION
16 PURSUANT TO THIS SECTION OR FAILS TO OBEY ANY SUBPOENA ISSUED
17 PURSUANT TO THIS SECTION, THE ATTORNEY GENERAL MAY APPLY TO THE
18 APPROPRIATE DISTRICT COURT FOR AN APPROPRIATE ORDER TO
19 EFFECTUATE THE PURPOSES OF THIS PART 12. AT THE REQUEST OF THE
20 ATTORNEY GENERAL, THE APPLICATION MAY BE FILED IN CAMERA AND
21 KEPT CONFIDENTIAL TO MAINTAIN THE CONFIDENTIALITY OF THE
22 ATTORNEY GENERAL'S INVESTIGATION. THE APPLICATION MUST STATE
23 THAT THERE ARE REASONABLE GROUNDS TO BELIEVE THAT THE ORDER
24 APPLIED FOR IS NECESSARY TO INVESTIGATE A VIOLATION OF THIS PART 12.
25 IF THE COURT IS SATISFIED THAT REASONABLE GROUNDS EXIST, THE COURT
26 IN ITS ORDER MAY:

27 (a) GRANT APPROPRIATE INJUNCTIVE RELIEF;

1 (b) REQUIRE ATTENDANCE OF OR THE PRODUCTION OF DOCUMENTS
2 BY THE PERSON, OR BOTH;

3 (c) GRANT OTHER OR FURTHER RELIEF AS MAY BE NECESSARY TO
4 OBTAIN COMPLIANCE BY THE PERSON.

5 **24-31-1208. Rule-making.** THE ATTORNEY GENERAL MAY
6 PROMULGATE RULES NECESSARY TO IMPLEMENT THIS PART 12.

7 **24-31-1209. Use of recoveries - false claims recovery cash fund**
8 **- creation.** (1) THE STATE TREASURER SHALL TRANSFER ALL PROCEEDS
9 RETAINED BY THE STATE FROM A FALSE CLAIMS ACTION BROUGHT
10 PURSUANT TO THIS PART 12 TO THE FALSE CLAIMS RECOVERY CASH FUND,
11 WHICH IS HEREBY CREATED.

12 (2) ANY MONEY IN THE FUND NOT EXPENDED FOR THE PURPOSE OF
13 THIS SECTION MAY BE INVESTED BY THE STATE TREASURER AS PROVIDED
14 BY LAW. ALL INTEREST AND INCOME DERIVED FROM INVESTMENT AND
15 DEPOSIT OF MONEY IN THE FUND SHALL BE CREDITED TO THE FUND.

16 (3) (a) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
17 ASSEMBLY, THE DEPARTMENT MAY EXPEND MONEY FROM THE FUND FOR
18 NECESSARY ACTUAL COSTS OF CARRYING OUT ITS DUTIES PURSUANT TO
19 THIS PART 12.

20 (b) (I) WHEN PROCEEDS RETAINED BY THE STATE FROM A FALSE
21 CLAIMS ACTION ARE DEPOSITED INTO THE FUND, THE ATTORNEY GENERAL
22 SHALL DETERMINE THE AMOUNT OF THE PROCEEDS THAT SHOULD REMAIN
23 IN THE FUND FOR USE BY THE DEPARTMENT FOR THE COSTS OF CARRYING
24 OUT ITS DUTIES PURSUANT TO THIS PART 12.

25 (II) IF THE AMOUNT OF THE PROCEEDS IS EQUAL TO OR EXCEEDS
26 THE AMOUNT OF THE FALSE CLAIM PLUS THE DEPARTMENT'S COSTS, THE
27 ATTORNEY GENERAL SHALL DIRECT THE STATE TREASURER TO CREDIT TO

1 THE ORIGINAL FUND FROM WHICH THE FALSE CLAIM WAS PAID AN AMOUNT
2 EQUAL TO THE FALSE CLAIM.

3 (III) IF THE AMOUNT OF THE PROCEEDS IS LESS THAN THE AMOUNT
4 OF THE FALSE CLAIM PLUS THE DEPARTMENT'S COSTS, THE ATTORNEY
5 GENERAL SHALL DIRECT THE STATE TREASURER TO CREDIT TO THE
6 ORIGINAL FUND FROM WHICH THE FALSE CLAIM WAS PAID A PRO-RATED
7 AMOUNT BASED ON THE ACTUAL RECOVERY.

8 (4) ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING
9 IN THE FUND AT THE END OF A FISCAL YEAR SHALL REMAIN IN THE FUND
10 AND SHALL NOT BE CREDITED OR TRANSFERRED TO ANOTHER FUND.

11 **24-31-1210. No limitations on common law authority -**
12 **medicaid fraud control.** NOTHING IN THIS PART 12 AFFECTS, LIMITS, OR
13 SUPPLANTS THE COMMON LAW AUTHORITY OF THE ATTORNEY GENERAL OR
14 THE DEPARTMENT TO INVESTIGATE AND PROSECUTE MEDICAID FRAUD
15 PURSUANT TO PART 8 OF THIS ARTICLE 31.

16 **SECTION 3.** In Colorado Revised Statutes, 2-3-109, **add** (3) as
17 follows:

18 **2-3-109. Emergency reports.** (3) IF THE STATE AUDITOR IN THE
19 COURSE OF AN AUDIT FINDS EVIDENCE OF APPARENTLY FALSE CLAIMS
20 RELATED TO PUBLIC FUNDS OR PROPERTY, THE STATE AUDITOR SHALL
21 IMMEDIATELY REPORT SUCH TRANSACTIONS TO THE COMMITTEE AND
22 SHALL FILE A WRITTEN COPY OF THE REPORT WITH THE ATTORNEY
23 GENERAL.

24 **SECTION 4.** In Colorado Revised Statutes, 2-3-110.5, **amend**
25 (3)(a)(II) as follows:

26 **2-3-110.5. Fraud hotline - investigations - confidentiality -**
27 **access to records - definitions.** (3) (a) (II) The state auditor shall

1 forward all hotline calls alleging fraud by a medicaid recipient to the
2 department of health care policy and financing, ~~and~~ all calls alleging
3 fraud by a medicaid provider or contractor to the medicaid fraud control
4 unit of the office of the attorney general, AND ALL CALLS ALLEGING FRAUD
5 IN VIOLATION OF THE "COLORADO FALSE CLAIMS ACT", PART 12 OF
6 ARTICLE 31 OF TITLE 24, TO THE ATTORNEY GENERAL UNLESS THE
7 ALLEGATION RELATES TO A STATE EMPLOYEE IN THE PERFORMANCE OF
8 THE EMPLOYEE'S DUTIES.

9 **SECTION 5. Act subject to petition - effective date.** This act
10 takes effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly; except
12 that, if a referendum petition is filed pursuant to section 1 (3) of article V
13 of the state constitution against this act or an item, section, or part of this
14 act within such period, then the act, item, section, or part will not take
15 effect unless approved by the people at the general election to be held in
16 November 2022 and, in such case, will take effect on the date of the
17 official declaration of the vote thereon by the governor.