

STAND. COM. REP. NO. **2085**

Honolulu, Hawaii

FEB 08 2018

RE: S.B. No. 2744
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 2744 entitled:

"A BILL FOR AN ACT RELATING TO FALSE CLAIMS TO THE STATE,"

begs leave to report as follows:

The purpose and intent of this measure is to increase penalties for false claims to the State to maintain consistency with the federal False Claims Act and to comply with the federal Civil Penalties Inflation Adjustment Act of 1990.

Your Committee received testimony in support of this measure from the Department of the Attorney General and one individual.

Your Committee finds that the existing penalty for false claims to the State in Hawaii is inconsistent with related provisions of federal law. Under federal law, Hawaii is entitled to an additional ten percent share of shared damages in parallel state and federal False Claims Act cases; particularly cases involving fraud perpetrated against government medical assistance programs. Hawaii is presently operating under a waiver from the federal government that entitles the State to the additional ten percent of shared damages even though Hawaii's false claims to the State law is not consistent with related provisions of federal law, but this waiver will expire on December 31, 2018. Updating the State's false claims against the State law prior to the waiver's expiration will ensure that Hawaii continues to be

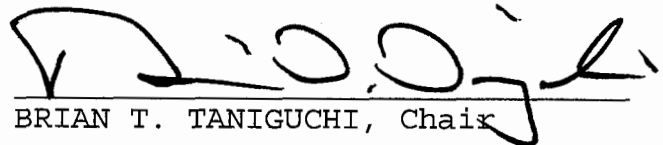


entitled to the State's full share of shared damages in Federal False Claims Act cases.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2744, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2744, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



BRIAN T. TANIGUCHI, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:* SB 2744	Committee Referral: JDC, WAM	Date: 2/1/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
RHOADS, Karl (VC)	✓			
GABBARD, Mike	✓			
KIM, Donna Mercado	✓			
THIELEN, Laura H.	✓			
TOTAL	5	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Karl Rhoads</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes