

AN ACT concerning civil law.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Illinois False Claims Act is amended by  
changing Section 3 as follows:

(740 ILCS 175/3) (from Ch. 127, par. 4103)

Sec. 3. False claims.

(a) Liability for certain acts.

(1) In general, any person who:

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

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

(C) conspires to commit a violation of  
subparagraph (A), (B), (D), (E), (F), or (G);

(D) has possession, custody, or control of  
property or money used, or to be used, by the State and  
knowingly delivers, or causes to be delivered, less  
than all the money or property;

(E) is authorized to make or deliver a document  
certifying receipt of property used, or to be used, by  
the State and, intending to defraud the State, makes or

delivers the receipt without completely knowing that the information on the receipt is true;

(F) knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the State, or a member of the Guard, who lawfully may not sell or pledge property; or

(G) knowingly makes, uses, or causes 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 knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the State,

is liable to the State for a civil penalty of not less than the minimum amount and not more than the maximum amount allowed for a civil penalty for a violation of the federal False Claims Act (31 U.S.C. 3729 et seq.) as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461) ~~\$5,500 and not more than \$11,000~~, plus 3 times the amount of damages which the State sustains because of the act of that person. Notwithstanding any other provision, a person is liable to the State for a civil penalty of not less than \$5,500 and not more than \$11,000, plus 3 times the amount of damages which the State sustains because of the act of that person, when: (i) the civil action was brought by a private person pursuant to paragraph (1) of subsection (b) of Section 4; (ii) the

State did not elect to intervene pursuant to paragraph (2) of subsection (b) of Section 4; (iii) the actual amount of the tax owed to the State is equal to or less than \$50,000, which does not include interest, penalties, attorney's fees, costs, or any other amounts owed or paid pursuant to this Act; and (iv) the violation of this Act relates to or involves a false claim regarding a tax administered by the Department of Revenue, excluding claims, records, or statements made under the Property Tax Code. The penalties in this Section are intended to be remedial rather than punitive, and shall not preclude, nor be precluded by, a criminal prosecution for the same conduct.

(2) A person violating this subsection shall also be liable to the State for the costs of a civil action brought to recover any such penalty or damages.

(b) Definitions. For purposes of this Section:

(1) The terms "knowing" and "knowingly":

(A) mean that a person, with respect to information:

(i) has actual knowledge of the information;

(ii) acts in deliberate ignorance of the truth or falsity of the information; or

(iii) acts in reckless disregard of the truth or falsity of the information, and

(B) require no proof of specific intent to defraud.

(2) The term "claim":

(A) means any request or demand, whether under a contract or otherwise, for money or property and whether or not the State has title to the money or property, that

(i) is presented to an officer, employee, or agent of the State; or

(ii) is made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the State's behalf or to advance a State program or interest, and if the State:

(I) provides or has provided any portion of the money or property requested or demanded; or

(II) will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded; and

(B) does not include requests or demands for money or property that the State has paid to an individual as compensation for State employment or as an income subsidy with no restrictions on that individual's use of the money or property.

(3) The term "obligation" means an established duty, whether or not fixed, arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship,

from statute or regulation, or from the retention of any overpayment.

(4) The term "material" means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property.

(c) Exclusion. This Section does not apply to claims, records, or statements made under the Illinois Income Tax Act. (Source: P.A. 95-128, eff. 1-1-08; 96-1304, eff. 7-27-10.)

Section 99. Effective date. This Act takes effect upon becoming law.