

SENATE, No. 1223

STATE OF NEW JERSEY
215th LEGISLATURE

INTRODUCED JANUARY 30, 2012

Sponsored by:
Senator JOSEPH F. VITALE
District 19 (Middlesex)

SYNOPSIS

Clarifies the effective date of the “New Jersey False Claims Act.”

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning false claims and amending P.L.2007, c.265.

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3 **BE IT ENACTED** by the Senate and General Assembly of the State
4 of New Jersey:

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6 1. Section 11 of P.L.2007, c.265 (C.2A:32C-11) is amended to
7 read as follows:

8 11. a. A civil action under **[this act]** P.L.2007, c.265
9 (C.2A:32C-1 et seq.) may not be brought:

10 **[a.]** (1) More than six years after the date on which the violation
11 of the act is committed; or

12 **[b.]** (2) More than three years after the date when facts
13 material to the right of action are known or reasonably should have
14 been known by the State official charged with responsibility to act
15 in the circumstances, but in no event more than 10 years after the
16 date on which the violation is committed, whichever occurs last.

17 b. P.L.2007, c.265 (C.2A:32C-1 et seq.) shall apply to all acts
18 committed before March 13, 2008 provided that:

19 (1) the civil action filed pursuant to the “New Jersey False
20 Claims Act,” P.L. 2007, c.265 (C.2A:32C-1 et seq.) is brought
21 within the applicable statute of limitations set out in subsection a. of
22 this section; and

23 (2) the act that is the basis of the claim was not previously the
24 subject of an action involving the “New Jersey Medical Assistance
25 and Health Services Act,” P.L.1968, c.413 (C.30:4D-1 et seq.) filed
26 by the same claimant under the “New Jersey False Claims Act,”
27 P.L.2007, c.265 (C.2A:32C-1 et seq.) or the federal False Claims
28 Act, 31 U.S.C. sec. 3729 et seq. prior to the enactment of P.L. _____,
29 c. _____ (C. _____) (pending before the Legislature as this bill).

30 (cf: P.L.2007, c.265, s.11)

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32 2. This act shall take effect immediately.

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STATEMENT

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37 This bill would provide that the “New Jersey False Claims Act,”
38 P.L.2007, c.265 (C.2A:32C-1 et seq.) would apply to certain acts
39 committed before its effective date.

40 The False Claims Act imposes civil penalties on any person who
41 submits a claim to the State that he knows or should know is false.
42 The act also authorizes the Attorney General, on behalf of the State,
43 to bring a civil action against the person to recover any funds
44 fraudulently obtained. In addition, the act allows a private
45 individual who has knowledge of the fraud to bring the civil action.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 Depending on the circumstances, the private individual may be
2 entitled to receive a percentage of the funds collected.

3 The act, which was signed on January 13, 2008, took effect on
4 March 13, 2008.

5 The bill provides that the “New Jersey False Claims Act” would
6 apply to acts committed before March 13, 2008 provided that two
7 conditions apply:

8 (1) the civil action under the “New Jersey False Claims Act”
9 must be brought within the applicable statute of limitations set forth
10 in N.J.S.A.2A:32C-11; and

11 (2) the act that is the basis of the claim was not previously the
12 subject of an action involving Medicaid that was filed by the same
13 claimant under the “New Jersey False Claims Act” or the federal
14 False Claims Act.

15 The statute of limitations of the “New Jersey False Claims Act,”
16 which would not be changed by this bill, provides that the civil
17 action may not be brought:

18 More than six years after the date on which the violation is
19 committed; or

20 More than three years after the date when facts material to the
21 right of action are known or reasonably should have been known by
22 the State official charged with responsibility to act in the
23 circumstances, but in no event more than 10 years after the date on
24 which the violation is committed, whichever occurs last.

25 Under the bill, given the 10-year statute of limitations, a claim
26 that accrued after March 13, 1998 could be the subject of a False
27 Claims action as long as the act was not previously the subject of an
28 action involving Medicaid that was filed by the same claimant
29 under the New Jersey or federal False Claims Acts.