



**Paula Hicks-Hudson**  
State Senator  
11th Senate District

**Committees:**

Finance - *Ranking*  
Judiciary - *Ranking*  
Agriculture and Natural Resources - *Ranking*  
Local Government

Chair Manning, Vice Chair Reynolds, and members of the Senate Judiciary Committee: thank you for the opportunity to provide testimony on SB 72, regarding fraud offenses involving state money or property, with my joint-sponsor Senator DeMora.

Senate bill 72, which is very similar to the Ohio False Claims Act that I introduced in the Ohio House during the 134th General Assembly, takes on key features of legislation already codified both in many states across the nation and in Federal law. It is an objectively efficient method of identifying fraudulent activity by state vendors and recovering taxpayer dollars from these faulty parties. By failing to pass this bill, the Ohio legislature is literally costing Ohioans millions in their own household funds each year; representing only a portion of the recoveries that we know are available to state taxpayers if the legislature simply passes this legislation.

This senate bill has been modeled after the Federal version of this legislation, pulling essential insight from other states that have already passed such bill language. US Congress first enacted something of the sort, called a False Claims Act, amid the Civil War in 1863. At the time, the Federal government was concerned that contractors might be submitting fraudulent claims for payment during the Civil War and authorized a bill that imposed penalties upon a finding of fraud. It has been known as the "Lincoln Law" because of this time frame. Unfortunately, the rampant scheming and swindling of that time continues today.

This federal policy was since updated during the Reagan administration and this new federal version has been overwhelmingly successful and broadly garnered bipartisan support. This statute has been so successful that thirty-six other states have already adopted similar statutes to recover state tax dollars from fraudulent actors. It seems only prudent and logical that Ohio would adopt this legislation.

While today we have better checks and balances, this legislation, when passed, will provide additional protections for making sure Ohioans' tax dollars are being spent on legitimate goods, supplies, and services. According to State Auditor Keith Faber's Special Investigations Unit, since January of 2019, their office has secured **130** convictions for fraud on **280** charges, resulting in **239** findings for recovery. Total findings so far: **\$20,931,482**.<sup>1</sup>

Furthermore, this legislation clarifies the role of the private citizen who knows of wrong doing and reports it. Much of what we have seen is that when an employee blows the proverbial whistle, there can be retaliation against them. Our legislation will give an employee any relief necessary to make the employee "whole" who is discharged, demoted, suspended, threatened, harassed, or otherwise discriminated against in the terms and conditions of employment because of lawful acts in furtherance of an anti-fraud action or assistance in an action. As we all know, people generally, are fearful of losing their jobs if they speak up about wrongdoings on the job.

Thank you for your consideration of my testimony. I would be happy to answer any questions that you may have at this time.

---

<sup>1</sup> <https://ohioauditor.gov/fraud/>