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Chairman Hillyer, Vice Chair Grendell, Ranking Member Galonski, and members of the House Civil Justice Committee, thank you for the opportunity to present testimony on House Bill 533. This legislation, which we are calling the Ohio False Claims Act, is modeled after similar legislation codified in numerous other states across the country and in Federal law. In fact, Ohio is in the distinct minority of states that have yet to pass what is objectively an extremely effective method of detecting fraud and recovering taxpayer funds from fraudulent operators. By failing to pass this bill, the Ohio legislature is literally costing Ohioans millions of dollars each year and this represents only a portion of the recoveries that we know are available to state taxpayers if the legislature simply passes this legislation.

This Ohio False Claims Act is modeled after the Federal version and after the versions other states have already passed. Congress first enacted a False Claims Act amid the Civil War in 1863. The Federal government, concerned that contractors might be submitting fraudulent claims for payment during the Civil War, authorized a bill that imposed penalties upon a finding of fraud. Congress updated the federal policy during the Reagan administration and this version has been overwhelmingly successful and broadly supported in a bipartisan manner. This statute has been so successful, thirty-six other states have already adopted similar statutes to recover state tax dollars from fraudulent actors. Ohio should also adopt this bill, something the U.S. Department of Justice has referred to as “the most powerful tool the American people have to protect the government from fraud.”

Like the Federal statute, the Ohio False Claims Act would allow citizens who have witnessed fraud to initiate lawsuits in an effort to punish those actors who have committed wrongdoing and to recover state funds. If successful, a whistleblower may earn a whistleblower reward. This bill affords protection on behalf of whistleblowers so that they have the ability to speak out without fear of reprimand or punishment. It makes sense that the best way to root out fraud is to empower Ohioans who witness fraud to speak out against it.

The Ohio False Claims Act would be a significant leap forward for both protecting Ohioans from abuse and ensuring that a greater proportion of recovered fraud funds stay within the state. This bill would provide an immediate benefit to all Ohioans and allow the state to recover millions of dollars annually. Further, this would allow Ohio to recover a greater percentage of funds from the cases prosecuted under the federal False Claims Act (Federal law increases the state share of recovery simply by having a similar state law). There is no loser here; we all stand to benefit from having greater transparency within our state, a more empowered workforce, and a greater amount of taxpayer dollars recovered.

Lastly, this bill sheds light onto cases which would have never been brought to the public eye; Ohio may never see the billions of dollars the federal government recovered as a result of the role that pharmaceutical manufacturers played in fueling the opioid crisis, claiming thousands of Ohioan lives.

This bill is more than just accountability; it is bringing forth a modernized and more efficient approach to curbing fraud against the state. Ohio is leaving millions of dollars on the table annually, straight from the pockets of Ohioan taxpayers, and we are further disserving our constituents by failing to protect their rights. We urge you to pass HB 533 and would be happy to field any questions you may have. Thank you.