

**Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 22-0204.01 Conrad Imel x2313

**HOUSE BILL 22-1119**

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**HOUSE SPONSORSHIP**

**Gray,**

**SENATE SPONSORSHIP**

**Winter,**

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**House Committees**  
Judiciary

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING CIVIL LIABILITY FOR PRESENTING FALSE CLAIMS FOR**  
102      **PAYMENT TO THE STATE.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill establishes the "Colorado False Claims Act" (the act). Pursuant to the act, a person is liable to the state or a political subdivision of the state for a civil penalty if the person commits, conspires to commit, or aids and abets the commission of any of the following (collectively, "false claims"):

- Knowingly presenting, or causing to be presented, a false

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

- or fraudulent claim for payment or approval;
- Knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim;
- Having possession, custody, or control of property or money used, or to be used, by the state or political subdivision and knowingly delivering, or causing to be delivered, less than all of the money or property;
- Authorizing the making or delivery of a document certifying receipt of property used, or to be used, by the state or political subdivision and, with the intent to defraud the state or political subdivision, making or delivering the receipt without completely knowing that the information on the receipt is true;
- Knowingly buying, or receiving as a pledge of an obligation or debt, public property from an officer or employee of the state or political subdivision who lawfully may not sell or pledge the property; or
- Knowingly making, using, or causing 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 political subdivision, or knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay or transmit money or property to the state or political subdivision.

A person who makes a false claim is liable to the state or a political subdivision for the same amount provided in the federal "False Claims Act", as adjusted for inflation, plus 3 times the amount of the damages sustained by the state or political subdivision, and the costs incurred for the investigation and prosecution of the false claim.

The bill requires the attorney general or a local prosecutor to investigate false claims. The attorney general, prosecuting authority of a political subdivision, or a private individual (relator) may bring a civil action against a person who made a false claim. The bill permits the attorney general or prosecuting authority of a political subdivision to intervene in an action brought by a relator. A relator may be awarded up to 30% of the proceeds from a false claims action based on the extent the relator contributed to the investigation and prosecution of the false claim. If the relator is an employee of the state or political subdivision and learns information about the false claim in the course of the relator's work, the court will award that amount to the relator's employer.

The bill authorizes the state auditor to share information about potential false claims with the attorney general and a political subdivision.

A court cannot hear a false claim action:

- Brought against a serving member of the general assembly,

a member of the state judiciary, or an elected official in the executive branch of the state of Colorado acting in the member's or official's official capacity; or

- Based on the same allegations or transactions that are the subject of a different civil or administrative proceeding.

The bill prohibits retaliatory action against an individual because of the individual's efforts in furtherance of investigating, prosecuting, or stopping false claims. A court hearing a false claims action may hear a claim for retaliation against the individual.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-31-101, **amend**  
3 (1)(p) and (1)(q); and **add** (1)(r) as follows:

4 **24-31-101. Powers and duties of attorney general.** (1) The  
5 attorney general:

6 (p) May bring a civil action to enforce the provisions of section  
7 24-31-113; ~~and~~

8 (q) May bring a civil action to enforce the provisions of section  
9 24-31-307 (2) or a criminal action to enforce the provisions of section  
10 24-31-307 (3); AND

11 (r) MAY BRING OR INTERVENE IN A CIVIL ACTION, CONDUCT  
12 INVESTIGATIONS, AND ISSUE CIVIL INVESTIGATION DEMANDS PURSUANT TO  
13 THE "COLORADO FALSE CLAIMS ACT", PART 12 OF THIS ARTICLE 31.

14 **SECTION 2.** In Colorado Revised Statutes, **add** part 12 to article  
15 31 of title 24 as follows:

16 **PART 12**

17 **COLORADO FALSE CLAIMS ACT**

18 **24-31-1201. Short title.** THE SHORT TITLE OF THIS PART 12 IS THE  
19 "COLORADO FALSE CLAIMS ACT".

20 **24-31-1202. Definitions.** AS USED IN THIS PART 12, UNLESS THE

1       CONTEXT OTHERWISE REQUIRES:

2               (1) (a) "CLAIM" MEANS A REQUEST OR DEMAND, WHETHER UNDER  
3       A CONTRACT OR OTHERWISE, FOR MONEY OR PROPERTY AND WHETHER OR  
4       NOT THE STATE OR A POLITICAL SUBDIVISION HAS TITLE TO THE MONEY OR  
5       PROPERTY, THAT IS:

6               (I) PRESENTED TO AN OFFICER, EMPLOYEE, OR AGENT OF THE  
7       STATE OR POLITICAL SUBDIVISION; OR

8               (II) MADE TO A CONTRACTOR, GRANTEE, OR OTHER RECIPIENT, IF  
9       THE MONEY OR PROPERTY IS TO BE SPENT OR USED ON THE STATE'S OR  
10      POLITICAL SUBDIVISION'S BEHALF OR TO ADVANCE A GOVERNMENT  
11      PROGRAM OR INTEREST, AND IF THE STATE OR POLITICAL SUBDIVISION:

12              (A) PROVIDES OR HAS PROVIDED ANY PORTION OF THE MONEY OR  
13      PROPERTY REQUESTED OR DEMANDED; OR

14              (B) WILL REIMBURSE SUCH CONTRACTOR, GRANTEE, OR OTHER  
15      RECIPIENT FOR ANY PORTION OF THE MONEY OR PROPERTY THAT IS  
16      REQUESTED OR DEMANDED.

17              (b) "CLAIM" DOES NOT INCLUDE A REQUEST OR DEMAND FOR  
18      MONEY OR PROPERTY THAT THE STATE OR A POLITICAL SUBDIVISION HAS  
19      PAID:

20              (I) TO AN INDIVIDUAL AS COMPENSATION FOR EMPLOYMENT BY  
21      THE STATE OR POLITICAL SUBDIVISION;

22              (II) AS AN INCOME SUBSIDY WITH NO RESTRICTIONS ON THAT  
23      INDIVIDUAL'S USE OF THE MONEY OR PROPERTY;

24              (III) TO AN INDIVIDUAL AS PART OF A GOVERNMENT ASSISTANCE  
25      PROGRAM IN AN AMOUNT LESS THAN FIVE THOUSAND DOLLARS IN A  
26      CALENDAR YEAR; OR

27              (IV) TO AN INDIVIDUAL UNDER THE "COLORADO MEDICAL

1 ASSISTANCE ACT", ARTICLES 4, 5, AND 6 OF TITLE 25.5.

2 (2) "DEPARTMENT" MEANS THE DEPARTMENT OF LAW.

3 (3) "FUND" MEANS THE FALSE CLAIMS RECOVERY CASH FUND  
4 CREATED IN SECTION 24-31-1209.

5 (4) (a) "KNOWING" OR "KNOWINGLY" MEAN THAT A PERSON, WITH  
6 RESPECT TO INFORMATION ABOUT A CLAIM:

7 (I) HAS ACTUAL KNOWLEDGE OF THE INFORMATION;

8 (II) ACTS IN DELIBERATE IGNORANCE OF THE TRUTH OR FALSITY OF  
9 THE INFORMATION; OR

10 (III) ACTS IN RECKLESS DISREGARD OF THE TRUTH OR FALSITY OF  
11 THE INFORMATION.

12 (b) "KNOWING" OR "KNOWINGLY" DOES NOT REQUIRE PROOF OF  
13 SPECIFIC INTENT TO DEFRAUD.

14 (5) "MATERIAL" MEANS HAVING A NATURAL TENDENCY TO  
15 INFLUENCE, OR BE CAPABLE OF INFLUENCING, THE PAYMENT OR RECEIPT  
16 OF MONEY OR PROPERTY.

17 (6) "OBLIGATION" MEANS AN ESTABLISHED DUTY, WHETHER OR  
18 NOT FIXED, ARISING FROM AN EXPRESS OR IMPLIED CONTRACTUAL,  
19 GRANTOR-GRANTEE, OR LICENSOR-LICENSEE RELATIONSHIP; FROM A  
20 FEE-BASED OR SIMILAR RELATIONSHIP; FROM STATUTE OR REGULATION; OR  
21 FROM THE RETENTION OF ANY OVERPAYMENT.

22 (7) "PERSON" MEANS ANY INDIVIDUAL, CORPORATION, BUSINESS  
23 TRUST, ESTATE, TRUST, LIMITED LIABILITY COMPANY, PARTNERSHIP,  
24 ASSOCIATION, OR OTHER NONGOVERNMENTAL LEGAL ENTITY.

25 (8) "POLITICAL SUBDIVISION" MEANS A TOWN, CITY, COUNTY, OR  
26 CITY AND COUNTY.

27 (9) "PROCEEDS" MEANS ALL MONEY, PROPERTY, DAMAGES,

1 DOUBLE DAMAGES, TREBLE DAMAGES, CIVIL PENALTIES, AND PAYMENTS  
2 FOR COSTS OF COMPLIANCE, INCLUDING REASONABLE COSTS AND  
3 ATTORNEY FEES, REALIZED BY THE STATE OR A POLITICAL SUBDIVISION,  
4 WHETHER AS A RESULT OF ANY SETTLEMENT OF OR JUDGMENT ENTERED  
5 IN ANY ACTION BROUGHT PURSUANT TO THIS PART 12.

6 (10) "PROSECUTING AUTHORITY" MEANS THE COUNTY ATTORNEY,  
7 CITY ATTORNEY, OR OTHER LOCAL GOVERNMENT OFFICIAL, INCLUDING A  
8 DULY ELECTED DISTRICT ATTORNEY, CHARGED WITH INVESTIGATING,  
9 FILING, AND CONDUCTING CIVIL LEGAL PROCEEDINGS ON BEHALF OF, OR IN  
10 THE NAME OF, A PARTICULAR POLITICAL SUBDIVISION.

11 (11) "RELATOR" MEANS A NATURAL PERSON WHO BRINGS A CIVIL  
12 ACTION FOR A VIOLATION OF THIS PART 12 ON BEHALF OF HIMSELF OR  
13 HERSELF AND THE STATE OR A POLITICAL SUBDIVISION. "RELATOR"  
14 INCLUDES A GOVERNMENT EMPLOYEE OTHER THAN A PROSECUTING  
15 AUTHORITY WHO, IN THE COURSE OF THE EMPLOYEE'S WORK FOR THE  
16 STATE OR A POLITICAL SUBDIVISION, GAINS KNOWLEDGE OF ANY  
17 INFORMATION THAT FORMS, IN WHOLE OR IN PART, THE BASIS OF THE CIVIL  
18 ACTION.

19 **24-31-1203. False claims - civil liability for certain acts -**  
20 **penalty - exception.** (1) SUBJECT TO SUBSECTION (2) OF THIS SECTION  
21 AND EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5) OF THIS SECTION,  
22 A PERSON IS LIABLE TO THE STATE OR A POLITICAL SUBDIVISION FOR A  
23 CIVIL PENALTY IN AMOUNTS ESTABLISHED IN THE FEDERAL "FALSE CLAIMS  
24 ACT", 31 U.S.C. SEC. 3729 ET SEQ., AS AMENDED, AS ADJUSTED FOR  
25 INFLATION PURSUANT TO 31 U.S.C. SEC. 3729, PLUS THREE TIMES THE  
26 AMOUNT OF DAMAGES THAT THE STATE OR POLITICAL SUBDIVISION  
27 SUSTAINS BECAUSE OF THE ACT OF THAT PERSON, IF THAT PERSON:

1           (a) KNOWINGLY PRESENTS, OR CAUSES TO BE PRESENTED, A FALSE  
2 OR FRAUDULENT CLAIM FOR PAYMENT OR APPROVAL;

3           (b) KNOWINGLY MAKES, USES, OR CAUSES TO BE MADE OR USED A  
4 FALSE RECORD OR STATEMENT MATERIAL TO A FALSE OR FRAUDULENT  
5 CLAIM;

6           (c) HAS POSSESSION, CUSTODY, OR CONTROL OF PROPERTY OR  
7 MONEY USED, OR TO BE USED, BY THE STATE OR POLITICAL SUBDIVISION  
8 AND KNOWINGLY DELIVERS, OR CAUSES TO BE DELIVERED, LESS THAN ALL  
9 OF THE MONEY OR PROPERTY;

10          (d) AUTHORIZES THE MAKING OR DELIVERY OF A DOCUMENT  
11 CERTIFYING RECEIPT OF PROPERTY USED, OR TO BE USED, BY THE STATE OR  
12 POLITICAL SUBDIVISION AND, WITH THE INTENT TO DEFRAUD THE STATE OR  
13 POLITICAL SUBDIVISION, MAKES OR DELIVERS THE RECEIPT WITHOUT  
14 COMPLETELY KNOWING THAT THE INFORMATION ON THE RECEIPT IS TRUE;

15          (e) KNOWINGLY BUYS, OR RECEIVES AS A PLEDGE OF AN  
16 OBLIGATION OR DEBT, PUBLIC PROPERTY FROM AN OFFICER OR EMPLOYEE  
17 OF THE STATE OR POLITICAL SUBDIVISION WHO LAWFULLY MAY NOT SELL  
18 OR PLEDGE THE PROPERTY;

19          (f) KNOWINGLY MAKES, USES, OR CAUSES TO BE MADE OR USED A  
20 FALSE RECORD OR STATEMENT MATERIAL TO AN OBLIGATION TO PAY OR  
21 TRANSMIT MONEY OR PROPERTY TO THE STATE OR POLITICAL SUBDIVISION,  
22 OR KNOWINGLY CONCEALS OR KNOWINGLY AND IMPROPERLY AVOIDS OR  
23 DECREASES AN OBLIGATION TO PAY OR TRANSMIT MONEY OR PROPERTY TO  
24 THE STATE OR POLITICAL SUBDIVISION; OR

25          (g) CONSPIRES TO COMMIT A VIOLATION OF SUBSECTIONS (1)(a) TO  
26 (1)(f) OF THIS SECTION OR AIDS AND ABETS THE COMMISSION OF A  
27 VIOLATION OF SUBSECTIONS (1)(a) TO (1)(f) OF THIS SECTION.

1           (2) NOTWITHSTANDING THE AMOUNT OF DAMAGES AUTHORIZED  
2     IN SUBSECTION (1) OF THIS SECTION, FOR A PERSON WHO VIOLATES  
3     SUBSECTION (1) OF THIS SECTION, THE COURT MAY ASSESS NOT LESS THAN  
4     TWICE THE AMOUNT OF DAMAGES THAT THE STATE OR A POLITICAL  
5     SUBDIVISION SUSTAINS BECAUSE OF THE ACT OF THE PERSON IF THE COURT  
6     FINDS THAT:

7           (a) THE PERSON WHO COMMITTED THE VIOLATION FURNISHED TO  
8     THE OFFICIALS OF THE STATE OR POLITICAL SUBDIVISION RESPONSIBLE FOR  
9     INVESTIGATING FALSE CLAIMS VIOLATIONS ALL INFORMATION ABOUT THE  
10    VIOLATION KNOWN TO THE PERSON AND FURNISHED SAID INFORMATION  
11    WITHIN THIRTY DAYS AFTER THE DATE ON WHICH THE PERSON FIRST  
12    OBTAINED THE INFORMATION;

13          (b) AT THE TIME THE PERSON FURNISHED THE INFORMATION ABOUT  
14    THE VIOLATION TO THE OFFICIALS OF THE STATE OR POLITICAL  
15    SUBDIVISION, A CRIMINAL PROSECUTION, CIVIL ACTION, OR  
16    ADMINISTRATIVE ACTION HAD NOT COMMENCED WITH RESPECT TO THE  
17    VIOLATION AND THE PERSON DID NOT HAVE ACTUAL KNOWLEDGE OF THE  
18    EXISTENCE OF AN INVESTIGATION INTO THE VIOLATION; AND

19          (c) THE PERSON FULLY COOPERATED WITH ANY INVESTIGATION OF  
20    THE VIOLATION BY THE STATE OR POLITICAL SUBDIVISION.

21          (3) ANY INFORMATION FURNISHED PURSUANT TO SUBSECTION (2)  
22    OF THIS SECTION IS EXEMPT FROM DISCLOSURE PURSUANT TO THE  
23    "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF THIS TITLE  
24    24.

25          (4) A PERSON WHO VIOLATES THIS SECTION IS ALSO LIABLE TO THE  
26    STATE OR A POLITICAL SUBDIVISION FOR REASONABLE ATTORNEY FEES  
27    AND THE COSTS INCURRED DURING THE ENFORCEMENT OF THIS PART 12.



1           (5) THIS SECTION DOES NOT APPLY TO CLAIMS, RECORDS, OR  
2 STATEMENTS MADE PURSUANT TO TITLE 39.

3           **24-31-1204. Civil actions for false claims - claims for**  
4 **retaliation - definitions. (1) Responsibility of attorney general.**

5           (a) THE ATTORNEY GENERAL SHALL DILIGENTLY INVESTIGATE A  
6 VIOLATION OF SECTION 24-31-1203. IF THE ATTORNEY GENERAL FINDS  
7 THAT A PERSON HAS VIOLATED OR IS VIOLATING SECTION 24-31-1203, THE  
8 ATTORNEY GENERAL MAY BRING A CIVIL ACTION AGAINST THE PERSON  
9 PURSUANT TO THIS SECTION.

10           (b) IF THE ATTORNEY GENERAL BRINGS A CIVIL ACTION PURSUANT  
11 TO THIS SECTION ON A CLAIM INVOLVING POLITICAL SUBDIVISION MONEY  
12 AS WELL AS STATE MONEY, THE ATTORNEY GENERAL SHALL SERVE BY  
13 MAIL, WITH RETURN RECEIPT REQUESTED, A COPY OF THE COMPLAINT ON  
14 THE SUBDIVISION'S APPROPRIATE PROSECUTING AUTHORITY WITHIN  
15 FOURTEEN DAYS AFTER THE DATE THAT THE COMPLAINT IS FILED IN THE  
16 ACTION.

17           (c) WITHIN SIXTY-THREE DAYS AFTER RECEIPT OF THE COMPLAINT  
18 PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION, AND SUBJECT TO  
19 SUBSECTION (2)(d) OF THIS SECTION. THE PROSECUTING AUTHORITY SHALL  
20 HAVE THE RIGHT TO INTERVENE IN AN ACTION BROUGHT BY THE  
21 ATTORNEY GENERAL PURSUANT TO THIS SECTION. THE COURT MAY PERMIT  
22 THE POLITICAL SUBDIVISION TO INTERVENE THEREAFTER UPON A SHOWING  
23 THAT ALL OF THE REQUIREMENTS OF THE COLORADO RULES OF CIVIL  
24 PROCEDURE HAVE BEEN MET.

25           (2) **Responsibility of prosecuting authority.** (a) A PROSECUTING  
26 AUTHORITY FOR A POLITICAL SUBDIVISION SHALL DILIGENTLY  
27 INVESTIGATE A VIOLATION OF SECTION 24-31-1203 INVOLVING A CLAIM

1 FILED WITH THAT POLITICAL SUBDIVISION. IF THE PROSECUTING  
2 AUTHORITY FINDS THAT A PERSON HAS VIOLATED OR IS VIOLATING  
3 SECTION 24-31-1203, THE PROSECUTING AUTHORITY MAY BRING A CIVIL  
4 ACTION AGAINST THE PERSON PURSUANT TO THIS SECTION.

5 (b) IF A PROSECUTING AUTHORITY BRINGS A CIVIL ACTION  
6 PURSUANT TO THIS SECTION ON A CLAIM INVOLVING STATE AND POLITICAL  
7 SUBDIVISION MONEY, THE PROSECUTING AUTHORITY SHALL SERVE BY  
8 MAIL, WITH RETURN RECEIPT REQUESTED, A COPY OF THE COMPLAINT ON  
9 THE ATTORNEY GENERAL WITHIN FOURTEEN DAYS AFTER THE DATE THAT  
10 THE COMPLAINT IS FILED IN THE ACTION.

11 (c) WITHIN SIXTY-THREE DAYS AFTER RECEIVING THE COMPLAINT  
12 PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION, THE ATTORNEY  
13 GENERAL SHALL EITHER:

14 (I) NOTIFY THE COURT THAT THE ATTORNEY GENERAL INTENDS TO  
15 PROCEED WITH THE ACTION, IN WHICH CASE THE ATTORNEY GENERAL  
16 SHALL ASSUME PRIMARY RESPONSIBILITY FOR CONDUCTING THE ACTION  
17 AND THE PROSECUTING AUTHORITY HAS THE RIGHT TO CONTINUE AS A  
18 PARTY; OR

19 (II) NOTIFY THE COURT THAT THE ATTORNEY GENERAL DECLINES  
20 TO TAKE OVER THE ACTION, IN WHICH CASE THE PROSECUTING AUTHORITY  
21 HAS THE RIGHT TO CONDUCT THE ACTION.

22 (d) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,  
23 A POLITICAL SUBDIVISION IS NOT PERMITTED TO BRING AN ACTION  
24 PURSUANT TO THIS SUBSECTION (2) OR INTERVENE IN AN ACTION  
25 PURSUANT TO SUBSECTION (1)(c) OR (4)(b) OF THIS SECTION WITHOUT THE  
26 CONSENT OF THE ATTORNEY GENERAL OR THE ATTORNEY GENERAL'S  
27 DESIGNEE.

1           (3)       **Role of the office of the state auditor.**

2       (a) NOTWITHSTANDING ANY OTHER STATE LAW REQUIRING THE STATE  
3       AUDITOR TO KEEP INFORMATION CONFIDENTIAL, IF IN THE COURSE OF ITS  
4       AUDIT AUTHORITY, THE OFFICE OF THE STATE AUDITOR IDENTIFIES  
5       INFORMATION OF POTENTIAL FALSE CLAIMS SUBMITTED TO THE STATE OR  
6       A POLITICAL SUBDIVISION, THE STATE AUDITOR MAY SHARE ANY  
7       INFORMATION WITH THE ATTORNEY GENERAL OR THE POLITICAL  
8       SUBDIVISION. THE STATE AUDITOR MAY PARTICIPATE, WITH THE CONSENT  
9       OF THE ATTORNEY GENERAL, IN ANY SUBSEQUENT INVESTIGATION OR  
10      PROSECUTION OF THAT FALSE CLAIM.

11       (b) IF THE STATE AUDITOR ELECTS TO PARTICIPATE IN ANY  
12      INVESTIGATION AND PROSECUTION OF A FALSE CLAIM, THE STATE  
13      AUDITOR'S INTERESTS WILL BE REPRESENTED BY THE ATTORNEY GENERAL.

14       (4) **Actions by private persons.** (a) A RELATOR MAY BRING A  
15      CIVIL ACTION FOR A VIOLATION OF SECTION 24-31-1203 FOR THE RELATOR  
16      AND FOR THE STATE OR A POLITICAL SUBDIVISION THAT IS AFFECTED BY  
17      THE VIOLATION. THE ACTION MUST BE BROUGHT IN THE NAME OF THE  
18      STATE OR POLITICAL SUBDIVISION. A RELATOR MAY NOT DISMISS AN  
19      ACTION UNLESS THE COURT AND THE ATTORNEY GENERAL OR THE  
20      PROSECUTING AUTHORITY GIVE WRITTEN CONSENT TO THE DISMISSAL AND  
21      THEIR REASONS FOR CONSENTING.

22       (b) THE RELATOR SHALL SERVE ON THE STATE OR POLITICAL  
23      SUBDIVISION, PURSUANT TO RULE 4 OF THE COLORADO RULES OF CIVIL  
24      PROCEDURE, A COPY OF THE COMPLAINT AND WRITTEN DISCLOSURE OF  
25      SUBSTANTIALLY ALL MATERIAL EVIDENCE AND INFORMATION THE  
26      RELATOR POSSESSES. THE COMPLAINT MUST BE FILED IN CAMERA, MUST  
27      REMAIN UNDER SEAL FOR AT LEAST SIXTY-THREE DAYS, AND MUST NOT BE

1 SERVED ON THE DEFENDANT UNTIL THE COURT SO ORDERS. THE STATE, OR  
2 A POLITICAL SUBDIVISION WITH THE CONSENT OF THE ATTORNEY GENERAL,  
3 MAY ELECT TO INTERVENE AND PROCEED WITH THE ACTION WITHIN  
4 SIXTY-THREE DAYS AFTER IT RECEIVES BOTH THE COMPLAINT AND THE  
5 MATERIAL EVIDENCE AND INFORMATION. IF BOTH THE STATE AND  
6 POLITICAL SUBDIVISION INTERVENE, THE ATTORNEY GENERAL SHALL  
7 ASSUME PRIMARY RESPONSIBILITY FOR CONDUCTING THE ACTION.

8 (c) THE STATE OR POLITICAL SUBDIVISION MAY, FOR GOOD CAUSE  
9 SHOWN, MOVE THE COURT FOR EXTENSIONS OF THE TIME DURING WHICH  
10 THE COMPLAINT REMAINS UNDER SEAL PURSUANT TO SUBSECTION (4)(b)  
11 OF THIS SECTION. THE MOTION MAY BE SUPPORTED BY AFFIDAVITS OR  
12 OTHER SUBMISSIONS IN CAMERA. THE DEFENDANT IS NOT REQUIRED TO  
13 RESPOND TO ANY COMPLAINT FILED PURSUANT TO THIS SECTION UNTIL  
14 TWENTY-ONE DAYS AFTER THE COMPLAINT IS UNSEALED AND SERVED  
15 UPON THE DEFENDANT PURSUANT TO RULE 4 OF THE COLORADO RULES OF  
16 CIVIL PROCEDURE.

17 (d) BEFORE THE EXPIRATION OF THE SIXTY-THREE-DAY PERIOD  
18 PURSUANT TO SUBSECTION (4)(b) OF THIS SECTION AND ANY EXTENSIONS  
19 OBTAINED PURSUANT TO SUBSECTION (4)(c) OF THIS SECTION, THE STATE  
20 OR POLITICAL SUBDIVISION SHALL:

21 (I) PROCEED WITH THE ACTION, IN WHICH CASE THE STATE OR  
22 POLITICAL SUBDIVISION SHALL CONDUCT THE ACTION; OR

23 (II) NOTIFY THE COURT THAT IT DECLINES TO TAKE OVER THE  
24 ACTION, IN WHICH CASE THE RELATOR HAS THE RIGHT TO CONTINUE THE  
25 ACTION.

26 (e) WHEN A RELATOR BRINGS AN ACTION PURSUANT TO THIS  
27 SUBSECTION (4), ONLY THE STATE, OR A POLITICAL SUBDIVISION WITH THE

1 CONSENT OF THE ATTORNEY GENERAL, MAY INTERVENE OR BRING A  
2 RELATED ACTION BASED ON THE FACTS UNDERLYING THE PENDING  
3 ACTION.

4 (5) **Rights of parties to private actions.** (a) If the STATE OR A  
5 POLITICAL SUBDIVISION PROCEEDS WITH AN ACTION BROUGHT PURSUANT  
6 TO SUBSECTION (4) OF THIS SECTION, IT HAS THE PRIMARY RESPONSIBILITY  
7 FOR PROSECUTING THE ACTION AND IS NOT BOUND BY AN ACT OF THE  
8 RELATOR. THE RELATOR HAS THE RIGHT TO CONTINUE AS A PARTY TO THE  
9 ACTION, SUBJECT TO THE LIMITATIONS SET FORTH IN SUBSECTION (4)(b) OF  
10 THIS SECTION.

11 (b) (I) THE STATE OR POLITICAL SUBDIVISION MAY DISMISS THE  
12 ACTION NOTWITHSTANDING THE OBJECTIONS OF THE RELATOR IF THE  
13 RELATOR HAS BEEN NOTIFIED BY THE STATE OR POLITICAL SUBDIVISION OF  
14 THE FILING OF THE MOTION AND THE COURT HAS PROVIDED THE RELATOR  
15 WITH AN OPPORTUNITY FOR A HEARING ON THE MOTION.

16 (II) THE STATE OR POLITICAL SUBDIVISION MAY SETTLE THE  
17 ACTION WITH THE DEFENDANT NOTWITHSTANDING THE OBJECTIONS OF THE  
18 RELATOR IF THE COURT DETERMINES, AFTER A HEARING, THAT THE  
19 PROPOSED SETTLEMENT IS FAIR, ADEQUATE, AND REASONABLE UNDER ALL  
20 THE CIRCUMSTANCES. UPON A SHOWING OF GOOD CAUSE, THE COURT MAY  
21 HOLD THE HEARING IN CAMERA.

22 (III) UPON A SHOWING BY THE STATE OR POLITICAL SUBDIVISION  
23 THAT UNRESTRICTED PARTICIPATION DURING THE COURSE OF THE  
24 LITIGATION BY THE RELATOR WOULD INTERFERE WITH OR UNDULY DELAY  
25 THE STATE'S OR POLITICAL SUBDIVISION'S PROSECUTION OF THE CASE, OR  
26 WOULD BE REPETITIOUS, IRRELEVANT, OR FOR PURPOSES OF HARASSMENT,  
27 THE COURT MAY, IN ITS DISCRETION, IMPOSE LIMITATIONS ON THE

1 RELATOR'S PARTICIPATION, INCLUDING BUT NOT LIMITED TO:

2 (A) LIMITING THE NUMBER OF WITNESSES THE RELATOR MAY

3 CALL;

4 (B) LIMITING THE LENGTH OF THE TESTIMONY OF THE WITNESSES

5 CALLED BY THE RELATOR;

6 (C) LIMITING THE RELATOR'S CROSS-EXAMINATION OF WITNESSES;

7 AND

8 (D) OTHERWISE LIMITING THE PARTICIPATION BY THE RELATOR IN

9 THE LITIGATION.

10 (IV) UPON A SHOWING BY THE DEFENDANT THAT UNRESTRICTED

11 PARTICIPATION DURING THE COURSE OF THE LITIGATION BY THE RELATOR

12 WOULD BE FOR PURPOSES OF HARASSMENT OR WOULD CAUSE THE

13 DEFENDANT UNDUE BURDEN OR UNNECESSARY EXPENSE, THE COURT MAY

14 LIMIT THE PARTICIPATION BY THE RELATOR IN THE LITIGATION AS

15 DESCRIBED IN SUBSECTION (5)(b)(III) OF THIS SECTION.

16 (c) IF THE STATE OR POLITICAL SUBDIVISION DOES NOT PROCEED

17 WITH AN ACTION AND THE RELATOR CONTINUES THE ACTION, THE COURT

18 SHALL NOT DRAW AN ADVERSE INFERENCE FROM THE FACT THAT THE

19 STATE OR POLITICAL SUBDIVISION HAS ELECTED NOT TO PROCEED WITH

20 THE ACTION. THE FACT THAT THE STATE OR POLITICAL SUBDIVISION HAS

21 ELECTED NOT TO PROCEED WITH THE ACTION IS NOT A BASIS FOR A MOTION

22 TO DISMISS, MOTION FOR DETERMINATION OF A QUESTION OF LAW, OR

23 MOTION FOR SUMMARY JUDGMENT, NOR IS IT A BASIS TO DENY THE COURT

24 JURISDICTION OVER THE ACTION. IF THE STATE OR POLITICAL SUBDIVISION

25 SO REQUESTS, IT MUST BE SERVED WITH COPIES OF ALL PLEADINGS FILED

26 IN THE ACTION AND, AT THE STATE'S OR POLITICAL SUBDIVISION'S

27 EXPENSE, BE SUPPLIED WITH COPIES OF ALL DEPOSITION TRANSCRIPTS.

1 WHEN A RELATOR PROCEEDS WITH THE ACTION, THE COURT, WITHOUT  
2 LIMITING THE STATUS AND RIGHTS OF THE RELATOR, MAY NEVERTHELESS  
3 PERMIT THE STATE OR POLITICAL SUBDIVISION TO INTERVENE AT A LATER  
4 DATE UPON A SHOWING OF GOOD CAUSE.

5 (d) REGARDLESS OF WHETHER THE STATE OR POLITICAL  
6 SUBDIVISION PROCEEDS WITH THE ACTION, UPON A SHOWING BY THE STATE  
7 OR POLITICAL SUBDIVISION THAT CERTAIN ACTIONS OF DISCOVERY BY THE  
8 RELATOR WOULD INTERFERE WITH THE STATE'S OR POLITICAL  
9 SUBDIVISION'S INVESTIGATION OR PROSECUTION OF A CRIMINAL OR CIVIL  
10 MATTER ARISING OUT OF THE SAME FACTS, THE COURT MAY STAY THE  
11 DISCOVERY FOR A PERIOD OF NOT MORE THAN SIXTY-THREE DAYS. THE  
12 SHOWING BY THE STATE OR POLITICAL SUBDIVISION MUST BE CONDUCTED  
13 IN CAMERA. THE COURT MAY EXTEND THE SIXTY-THREE-DAY PERIOD UPON  
14 A FURTHER SHOWING THAT THE STATE OR POLITICAL SUBDIVISION HAS  
15 PURSUED THE CRIMINAL OR CIVIL INVESTIGATION OR PROCEEDINGS WITH  
16 REASONABLE DILIGENCE AND THAT ANY PROPOSED DISCOVERY IN THE  
17 CIVIL ACTION WILL INTERFERE WITH THE ONGOING CRIMINAL OR CIVIL  
18 INVESTIGATION OR PROCEEDINGS.

19 (e) NOTWITHSTANDING SUBSECTION (4) OF THIS SECTION, THE  
20 STATE OR POLITICAL SUBDIVISION MAY ELECT TO PURSUE ITS CLAIM  
21 THROUGH ANY ALTERNATE REMEDY AVAILABLE TO THE STATE OR  
22 POLITICAL SUBDIVISION, INCLUDING ANY ADMINISTRATIVE PROCEEDING TO  
23 DETERMINE A CIVIL MONEY PENALTY. IF AN ALTERNATE REMEDY IS  
24 PURSUED IN ANOTHER PROCEEDING, THE RELATOR HAS THE SAME RIGHTS  
25 IN THAT PROCEEDING AS THE RELATOR WOULD HAVE HAD IF THE ACTION  
26 HAD CONTINUED PURSUANT TO THIS SECTION. ANY FINDING OF FACT OR  
27 CONCLUSION OF LAW MADE IN THE OTHER PROCEEDING THAT HAS BECOME

1 FINAL IS BINDING ON ALL PARTIES TO AN ACTION BROUGHT PURSUANT TO  
2 THIS SECTION. FOR PURPOSES OF THIS SUBSECTION (5)(e), A FINDING OR  
3 CONCLUSION IS FINAL IF IT HAS BEEN FINALLY DETERMINED ON APPEAL TO  
4 THE APPROPRIATE COURT OF THE STATE, IF ALL TIME FOR FILING SUCH AN  
5 APPEAL WITH RESPECT TO THE FINDING OR CONCLUSION HAS EXPIRED, OR  
6 IF THE FINDING OR CONCLUSION IS NOT SUBJECT TO JUDICIAL REVIEW.

7 (6) **Award to relators.** (a) (I) SUBJECT TO SUBSECTION (6)(a)(II)  
8 OF THIS SECTION, IF THE STATE OR A POLITICAL SUBDIVISION PROCEEDS  
9 WITH AN ACTION BROUGHT BY A RELATOR PURSUANT TO SUBSECTION (4)  
10 OF THIS SECTION, THE COURT SHALL AWARD THE RELATOR AT LEAST  
11 FIFTEEN PERCENT BUT NOT MORE THAN TWENTY-FIVE PERCENT OF THE  
12 PROCEEDS RECEIVED FROM THE ACTION OR SETTLEMENT OF THE CLAIM,  
13 DEPENDING UPON THE EXTENT TO WHICH THE RELATOR SUBSTANTIALLY  
14 CONTRIBUTED TO THE INVESTIGATION AND PROSECUTION OF THE ACTION.

15 (II) IF THE COURT FINDS THE ACTION TO BE BASED PRIMARILY ON  
16 DISCLOSURES OF SPECIFIC INFORMATION, OTHER THAN INFORMATION  
17 PROVIDED BY THE RELATOR, RELATING TO ALLEGATIONS OR  
18 TRANSACTIONS IN A CRIMINAL, CIVIL, OR ADMINISTRATIVE HEARING; IN A  
19 LEGISLATIVE, ADMINISTRATIVE, OR FORMAL AUDIT REPORT, HEARING, OR  
20 INVESTIGATION; OR FROM THE NEWS MEDIA, THE COURT MAY AWARD TO  
21 THE RELATOR SUCH SUMS AS IT CONSIDERS APPROPRIATE BUT IN NO CASE  
22 MORE THAN TEN PERCENT OF THE PROCEEDS. IN MAKING ITS  
23 DETERMINATION, THE COURT SHALL CONSIDER THE SIGNIFICANCE OF THE  
24 INFORMATION PROVIDED BY THE RELATOR AND THE ROLE OF THE RELATOR  
25 IN ADVANCING THE CASE TO LITIGATION.

26 (III) ANY PAYMENT TO A RELATOR MADE PURSUANT TO THIS  
27 SUBSECTION (6)(a) MUST BE MADE FROM THE PROCEEDS. IN ADDITION TO



1 AN AWARD MADE PURSUANT TO SUBSECTION (6)(a)(I) OR (6)(a)(II) OF THIS  
2 SECTION, THE COURT SHALL AWARD THE RELATOR AN AMOUNT FOR  
3 REASONABLE EXPENSES THAT THE COURT FINDS TO HAVE BEEN  
4 NECESSARILY INCURRED, PLUS REASONABLE ATTORNEY FEES AND COSTS.  
5 THE COURT SHALL AWARD ALL OF THE EXPENSES, FEES, AND COSTS  
6 AGAINST THE DEFENDANT.

7 (IV) IF THE RELATOR IS A GOVERNMENT EMPLOYEE WHO, IN THE  
8 COURSE OF THE RELATOR'S WORK FOR THE STATE OR A POLITICAL  
9 SUBDIVISION, GAINS KNOWLEDGE OF ANY INFORMATION THAT FORMS, IN  
10 WHOLE OR IN PART, THE BASIS OF THE RELATOR'S CLAIM, THE COURT  
11 SHALL AWARD TO THE STATE OR POLITICAL SUBDIVISION THAT EMPLOYS  
12 THE RELATOR THE AMOUNT THAT WOULD OTHERWISE BE AWARDED TO THE  
13 RELATOR PURSUANT TO THIS SUBSECTION (6).

14 (b) IF THE STATE OR POLITICAL SUBDIVISION DOES NOT INTERVENE  
15 IN AND PROCEED WITH AN ACTION PURSUANT TO SUBSECTION (4)(b) OF  
16 THIS SECTION, THE RELATOR PREVAILING IN THE ACTION OR SETTLING THE  
17 CLAIM MUST RECEIVE AN AMOUNT THAT THE COURT DECIDES IS  
18 REASONABLE FOR COLLECTING THE CIVIL PENALTY AND DAMAGES. THE  
19 AMOUNT MUST BE AT LEAST TWENTY-FIVE PERCENT BUT NOT MORE THAN  
20 THIRTY PERCENT OF THE PROCEEDS RECEIVED FROM THE ACTION OR  
21 SETTLEMENT AND MUST BE PAID OUT OF THE PROCEEDS. THE COURT SHALL  
22 AWARD THE RELATOR AN AMOUNT FOR REASONABLE EXPENSES THAT THE  
23 COURT FINDS TO HAVE BEEN NECESSARILY INCURRED, PLUS REASONABLE  
24 ATTORNEY FEES AND COSTS. THE COURT SHALL AWARD ALL OF THE  
25 EXPENSES, FEES, AND COSTS AGAINST THE DEFENDANT.

26 (c) REGARDLESS OF WHETHER THE STATE OR A POLITICAL  
27 SUBDIVISION INTERVENES IN AND PROCEEDS WITH AN ACTION PURSUANT

1 TO SUBSECTION (4)(b) OF THIS SECTION, IF THE COURT FINDS THAT THE  
2 ACTION WAS BROUGHT BY A RELATOR WHO PLANNED AND INITIATED THE  
3 VIOLATION OF SECTION 24-31-1203 UPON WHICH THE ACTION WAS  
4 BROUGHT, THE COURT MAY, TO THE EXTENT THE COURT CONSIDERS  
5 APPROPRIATE, REDUCE THE SHARE OF THE PROCEEDS OF THE ACTION THAT  
6 THE RELATOR WOULD OTHERWISE RECEIVE PURSUANT TO THIS SUBSECTION  
7 (6), TAKING INTO ACCOUNT THE ROLE OF THE RELATOR IN ADVANCING THE  
8 CASE TO LITIGATION AND ANY RELEVANT CIRCUMSTANCES PERTAINING TO  
9 THE VIOLATION. IF THE RELATOR IS CONVICTED OF CRIMINAL CONDUCT  
10 ARISING FROM HIS OR HER ROLE IN THE VIOLATION OF SECTION  
11 24-31-1203, THE COURT SHALL DISMISS THE RELATOR FROM THE CIVIL  
12 ACTION AND THE RELATOR MUST NOT RECEIVE ANY SHARE OF THE  
13 PROCEEDS OF THE ACTION. SUCH DISMISSAL DOES NOT PREJUDICE THE  
14 RIGHT OF THE STATE OR POLITICAL SUBDIVISION TO CONTINUE THE ACTION.

15 (d) IF THE STATE OR A POLITICAL SUBDIVISION DOES NOT  
16 INTERVENE IN AND PROCEED WITH AN ACTION PURSUANT TO SUBSECTION  
17 (4)(b) OF THIS SECTION AND THE RELATOR PURSUES THE ACTION, THE  
18 COURT MAY AWARD TO THE DEFENDANT REASONABLE ATTORNEY FEES  
19 AND EXPENSES IF THE DEFENDANT PREVAILS IN THE ACTION AND THE  
20 COURT FINDS THAT THE CLAIM OF THE RELATOR WAS CLEARLY FRIVOLOUS,  
21 CLEARLY VEXATIOUS, OR BROUGHT PRIMARILY FOR PURPOSES OF  
22 HARASSMENT.

23 (7) **Certain actions barred.** (a) A COURT DOES NOT HAVE  
24 JURISDICTION OVER AN ACTION BROUGHT PURSUANT TO THIS SECTION:

25 (I) AGAINST A SERVING MEMBER OF THE GENERAL ASSEMBLY, A  
26 MEMBER OF THE STATE JUDICIARY, OR AN ELECTED OFFICIAL IN THE  
27 EXECUTIVE BRANCH OF THE STATE OF COLORADO ACTING IN THE

1 MEMBER'S OR OFFICIAL'S OFFICIAL CAPACITY; OR

2 (II) IF THE ACTION IS BROUGHT BY A RELATOR PURSUANT TO  
3 SUBSECTION (4) OF THIS SECTION AND IS BASED ON EVIDENCE OR  
4 INFORMATION KNOWN TO THE STATE OR POLITICAL SUBDIVISION WHEN THE  
5 ACTION WAS BROUGHT.

6 (b) A RELATOR MAY NOT BRING AN ACTION PURSUANT TO  
7 SUBSECTION (4) OF THIS SECTION THAT IS BASED UPON ALLEGATIONS OR  
8 TRANSACTIONS THAT ARE THE SUBJECT OF A CIVIL SUIT IN A COURT OF THIS  
9 STATE OR AN ADMINISTRATIVE CIVIL MONEY PENALTY PROCEEDING IN  
10 WHICH THE STATE OR A POLITICAL SUBDIVISION IS ALREADY A PARTY.

11 (c) (I) A COURT SHALL DISMISS AN ACTION OR CLAIM BROUGHT  
12 PURSUANT TO SUBSECTION (4) OF THIS SECTION IF THE ACTION PURSUED BY  
13 THE RELATOR IS BASED UPON SUBSTANTIALLY THE SAME ALLEGATIONS OR  
14 TRANSACTIONS PUBLICLY DISCLOSED IN A CRIMINAL, CIVIL, OR  
15 ADMINISTRATIVE HEARING; IN A LEGISLATIVE, ADMINISTRATIVE, OR  
16 FORMAL AUDIT REPORT, HEARING, OR INVESTIGATION; OR FROM THE NEWS  
17 MEDIA, UNLESS:

18 (A) THE STATE OR A POLITICAL SUBDIVISION INTERVENES AND  
19 PROSECUTES THE ACTION PURSUANT TO SUBSECTION (4)(b) OF THIS  
20 SECTION;

21 (B) THE STATE OR POLITICAL SUBDIVISION OPPOSES DISMISSAL; OR

22 (C) THE RELATOR IS AN ORIGINAL SOURCE OF THE INFORMATION  
23 THAT IS THE BASIS FOR THE ACTION.

24 (II) AS USED IN THIS SUBSECTION (7)(c), "ORIGINAL SOURCE"  
25 MEANS AN INDIVIDUAL WHO:

26 (A) PRIOR TO PUBLIC DISCLOSURE PURSUANT TO SUBSECTION  
27 (7)(c)(I) OF THIS SECTION, HAS VOLUNTARILY DISCLOSED TO THE STATE OR

1 POLITICAL SUBDIVISION THE INFORMATION ON WHICH THE ALLEGATIONS  
2 OR TRANSACTIONS IN A CLAIM ARE BASED; OR

3 (B) HAS KNOWLEDGE THAT IS INDEPENDENT OF AND MATERIALLY  
4 ADDS TO THE PUBLICLY DISCLOSED ALLEGATIONS OR TRANSACTIONS AND  
5 HAS VOLUNTARILY PROVIDED THE INFORMATION TO THE STATE OR  
6 POLITICAL SUBDIVISION BEFORE FILING AN ACTION PURSUANT TO  
7 SUBSECTION (4) OF THIS SECTION.

8 (8) **State or political subdivision not liable for certain**  
9 **expenses.** THE STATE OR A POLITICAL SUBDIVISION IS NOT LIABLE FOR  
10 EXPENSES THAT A RELATOR INCURS IN BRINGING AN ACTION PURSUANT TO  
11 THIS SECTION.

12 (9) **Private action for retaliation.** (a) AS USED IN THIS  
13 SUBSECTION (9), UNLESS THE CONTEXT OTHERWISE REQUIRES:

14 (I) "CONFIDENTIAL INFORMATION" INCLUDES DOCUMENTS;  
15 E-MAILS AND OTHER ELECTRONIC DATA; MEDICAL RECORDS; FINANCIAL  
16 RECORDS; TRADE SECRET INFORMATION; INTELLECTUAL PROPERTY; OR  
17 INFORMATION THAT IS SUBJECT TO AN EMPLOYMENT AGREEMENT,  
18 CONFIDENTIALITY AGREEMENT, OR NONDISCLOSURE AGREEMENT OR FOR  
19 WHICH THE RELATOR HAS A FIDUCIARY OBLIGATION TO MAINTAIN AS  
20 CONFIDENTIAL.

21 (II) "LAWFUL ACTS" INCLUDES, BUT IS NOT LIMITED TO, THE  
22 FOLLOWING:

23 (A) CONDUCTING OR ASSISTING WITH AN INVESTIGATION FOR,  
24 INITIATION OF, TESTIMONY FOR, OR ASSISTANCE IN AN ACTION FILED OR TO  
25 BE FILED PURSUANT TO THIS SECTION, OR CONDUCTING OR ASSISTING WITH  
26 AN INVESTIGATION WHEN THERE IS A REASONABLE BELIEF OF A POTENTIAL  
27 VIOLATION OF THIS SECTION;

1 (B) MEETING WITH POTENTIAL OR RETAINED COUNSEL OR AGENTS  
2 OR REPRESENTATIVES OF THE STATE OR POLITICAL SUBDIVISION ABOUT  
3 THE MATTER THAT IS THE SUBJECT OF AN ACTION FILED OR TO BE FILED  
4 PURSUANT TO THIS SECTION;

5 (C) PROVIDING THE INDIVIDUAL'S COUNSEL OR AGENTS OR  
6 REPRESENTATIVES OF THE STATE OR THE POLITICAL SUBDIVISION WITH  
7 CONFIDENTIAL INFORMATION; OR

8 (D) FILING AN ACTION PURSUANT TO THIS SECTION.

9 (b) AN EMPLOYEE, CONTRACTOR, OR AGENT IS ENTITLED TO ALL  
10 RELIEF NECESSARY TO MAKE THAT INDIVIDUAL WHOLE IF THE INDIVIDUAL  
11 IS DISCHARGED, DEMOTED, SUSPENDED, THREATENED, HARASSED,  
12 INTIMIDATED, SUED, DEFAMED, BLACKLISTED, OR IN ANY OTHER MANNER  
13 RETALIATED AGAINST OR DISCRIMINATED AGAINST IN THE TERMS AND  
14 CONDITIONS OF THE INDIVIDUAL'S EMPLOYMENT, CONTRACT, BUSINESS, OR  
15 PROFESSION BY THE DEFENDANT OR BY ANY OTHER PERSON BECAUSE OF  
16 LAWFUL ACTS DONE BY THE INDIVIDUAL OR ASSOCIATED OTHERS IN  
17 FURTHERANCE OF AN ACTION BROUGHT PURSUANT TO THIS SECTION OR IN  
18 FURTHERANCE OF AN EFFORT TO STOP ANY VIOLATION, OR WHAT THE  
19 INDIVIDUAL REASONABLY BELIEVES TO BE A VIOLATION, OF SECTION  
20 24-31-1203.

21 (c) (I) IF THE DISCLOSURE OF CONFIDENTIAL INFORMATION IS IN  
22 FURTHERANCE OF AN ACTION BROUGHT PURSUANT TO THIS SECTION OR IN  
23 FURTHERANCE OF AN EFFORT TO STOP ANY VIOLATION, OR WHAT THE  
24 INDIVIDUAL REASONABLY BELIEVES TO BE A VIOLATION, OF SECTION  
25 24-31-1203, AN INDIVIDUAL HAS A PRIVILEGE TO DISCLOSE THE  
26 CONFIDENTIAL INFORMATION TO:

27 (A) THE INDIVIDUAL'S COUNSEL;

1 (B) A PERSON WITH WHOM THE INDIVIDUAL HAS A STATUTORY OR  
2 COMMON LAW PRIVILEGE; OR

3 (C) AN AGENT OR AUTHORIZED REPRESENTATIVE OF THE STATE OR  
4 POLITICAL SUBDIVISION.

5 (II) THE INDIVIDUAL'S DISCLOSURE OF CONFIDENTIAL  
6 INFORMATION TO THE INDIVIDUAL'S COUNSEL OR TO AN AGENT OR  
7 AUTHORIZED REPRESENTATIVE OF THE STATE OR POLITICAL SUBDIVISION  
8 DOES NOT CONSTITUTE A WAIVER BY A DEFENDANT OF ANY RIGHT OR  
9 PRIVILEGE THAT THE DEFENDANT MAY BE ENTITLED TO INVOKE.

10 (d) (I) AN INDIVIDUAL SEEKING RELIEF PURSUANT TO THIS  
11 SUBSECTION (9) MAY SEEK RELIEF BY:

12 (A) FILING A MOTION IN THE ACTION BROUGHT PURSUANT TO  
13 SUBSECTION (4) OF THIS SECTION; OR

14 (B) BRINGING A SEPARATE ACTION IN AN APPROPRIATE COURT OF  
15 THE STATE FOR THE RELIEF PROVIDED PURSUANT TO THIS SUBSECTION (9).

16 (II) AN INDIVIDUAL WHO SEEKS RELIEF PURSUANT TO THIS  
17 SUBSECTION (9) IS ENTITLED TO ALL RELIEF NECESSARY TO MAKE THE  
18 INDIVIDUAL WHOLE. THE RELIEF MUST INCLUDE, BUT IS NOT LIMITED TO:

19 (A) IF THE INDIVIDUAL IS AN EMPLOYEE, REINSTATEMENT WITH  
20 THE SAME SENIORITY STATUS THE INDIVIDUAL WOULD HAVE HAD BUT FOR  
21 THE DISCRIMINATION, TWICE THE AMOUNT OF BACK PAY, AND INTEREST ON  
22 THE BACK PAY;

23 (B) IF THE INDIVIDUAL IS A CONTRACTOR, SUBCONTRACTOR, OR  
24 INDEPENDENT CONTRACTOR, REINSTATEMENT OF A CONTRACT OR  
25 SUBCONTRACT THAT WAS CANCELED, NONRENEWED, OR MODIFIED  
26 BECAUSE OF RETALIATION, WITH ALL COMPENSATION OR CONTRACTUAL  
27 CONSIDERATION THAT THE INDIVIDUAL WOULD HAVE RECEIVED HAD THE

1 CONTRACT OR SUBCONTRACT NOT BEEN CANCELED, NONRENEWED, OR  
2 MODIFIED; AND

3 (C) COMPENSATION FOR ANY SPECIAL DAMAGES SUSTAINED AS A  
4 RESULT OF THE DISCRIMINATION OR RETALIATION, INCLUDING LITIGATION  
5 COSTS AND REASONABLE ATTORNEY FEES.

6 (e) (I) THE COURT SHALL AWARD THE INDIVIDUAL NOT LESS THAN  
7 THE DAMAGES DESCRIBED IN SUBSECTION (9)(d)(II) OF THIS SECTION IF A  
8 DEFENDANT, EMPLOYER, OR OTHER PERSON RETALIATES AGAINST AN  
9 INDIVIDUAL BY BRINGING ANOTHER ACTION AGAINST THE INDIVIDUAL FOR:

10 (A) ACTS LATER DETERMINED TO BE LAWFUL ACTS;

11 (B) DISCLOSURE OF CONFIDENTIAL INFORMATION TO COUNSEL OR  
12 AN AGENT OR REPRESENTATIVE OF THE STATE OR POLITICAL SUBDIVISION  
13 PURSUANT TO THIS SUBSECTION (9);

14 (C) VIOLATING AN EMPLOYMENT CONTRACT, CONFIDENTIALITY  
15 AGREEMENT, NONDISCLOSURE AGREEMENT, OR OTHER AGREEMENT; OR

16 (D) COMMITTING ANY OTHER TORT OR BREACH OF DUTY AND THE  
17 COURT HEARING THE ACTION DETERMINES BY A PREPONDERANCE OF THE  
18 EVIDENCE THAT THE DEFENDANT, EMPLOYER, OR OTHER PERSON BROUGHT  
19 THE LAWSUIT AGAINST THE INDIVIDUAL PRIMARILY FOR THE PURPOSE OF  
20 RETALIATING AGAINST THE INDIVIDUAL.

21 (II) IN ADDITION TO ANY OTHER REMEDY OR SHARE OF THE  
22 PROCEEDS OF THE ACTION TO WHICH THE INDIVIDUAL IS ENTITLED  
23 PURSUANT TO THIS SUBSECTION (9) AND REGARDLESS OF WHETHER THE  
24 INDIVIDUAL IS DETERMINED TO BE ENTITLED TO SHARE IN THE PROCEEDS  
25 OF THE ACTION OR CLAIM FILED PURSUANT TO SUBSECTION (4) OF THIS  
26 SECTION, IN ADDITION TO ANY OTHER CONSEQUENTIAL DAMAGES  
27 PERMITTED BY LAW, THE DAMAGES FOR A VIOLATION OF THIS SUBSECTION

1 (9)(e) MUST BE NOT LESS THAN:

2 (A) TWICE THE INDIVIDUAL'S ACTUAL ATTORNEY FEES AND COSTS  
3 IF THE DEFENDANT, EMPLOYER, OR OTHER PERSON BROUGHT THE LAWSUIT  
4 AGAINST THE INDIVIDUAL IN A COURT IN THE STATE OF COLORADO; OR

5 (B) THREE TIMES THE INDIVIDUAL'S ACTUAL ATTORNEY FEES AND  
6 COSTS IF THE DEFENDANT, EMPLOYER, OR OTHER PERSON BROUGHT THE  
7 LAWSUIT IN A JURISDICTION OUTSIDE OF COLORADO.

8 (f) (I) THE COURT HEARING THE ACTION BROUGHT PURSUANT TO  
9 SUBSECTION (4) OF THIS SECTION HAS JURISDICTION TO HEAR A PRIVATE  
10 ACTION OR MOTION FOR RETALIATION BROUGHT PURSUANT TO THIS  
11 SUBSECTION (9).

12 (II) UPON MOTION BY THE INDIVIDUAL, THE VENUE OF AN ACTION  
13 FILED IN ANOTHER COURT OF THE STATE OF COLORADO AGAINST THE  
14 INDIVIDUAL BY THE DEFENDANT, THE RELATOR'S EMPLOYER, OR OTHER  
15 PERSON ARISING OUT OF THE SUBJECT MATTER OF THE ACTION BROUGHT  
16 PURSUANT TO SUBSECTION (4) OF THIS SECTION MUST BE CHANGED TO THE  
17 COURT HEARING THE ACTION BROUGHT PURSUANT TO SUBSECTION (4) OF  
18 THIS SECTION.

19 (10) **Discovery in other actions.** (a) IF A RELATOR IS A PARTY TO  
20 OR WITNESS IN AN ACTION OTHER THAN AN ACTION BROUGHT PURSUANT  
21 TO SUBSECTION (4) OF THIS SECTION, AND A PARTY IN THE OTHER ACTION  
22 SEEKS DISCOVERY FROM THE RELATOR OF INFORMATION ABOUT OTHER  
23 LAWSUITS, WHICH DISCOVERY WOULD REQUIRE THE RELATOR TO DISCLOSE  
24 INFORMATION ABOUT AN ACTION FILED PURSUANT TO SUBSECTION (4) OF  
25 THIS SECTION WHILE THAT ACTION IS STILL UNDER SEAL, THE RELATOR  
26 SHALL:

27 (I) WITHIN A REASONABLE TIME, NOTIFY THE STATE OR POLITICAL



1 SUBDIVISION INVESTIGATING THE ACTION BROUGHT PURSUANT TO  
2 SUBSECTION (4) OF THIS SECTION OF THE PENDING DISCOVERY REQUEST;  
3 AND

4 (II) RESPOND TO THE DISCOVERY REQUEST BY STATING ONLY THAT  
5 THE MATTER IS CONFIDENTIAL, WITHOUT FURTHER ELABORATION, AND  
6 SHALL MAINTAIN THAT RESPONSE UNTIL THE STATE OR POLITICAL  
7 SUBDIVISION ELECTS TO PROCEED OR NOT PROCEED WITH THE ACTION  
8 BROUGHT PURSUANT TO SUBSECTION (4) OF THIS SECTION OR UNTIL THE  
9 COURT LIFTS THE SEAL.

10 (b) IF NECESSARY, IN AN ACTION OTHER THAN AN ACTION  
11 BROUGHT PURSUANT TO SUBSECTION (4) OF THIS SECTION, THE RELATOR,  
12 THE ATTORNEY GENERAL, OR THE PROSECUTING AUTHORITY MAY FILE AN  
13 EX PARTE MOTION, IN CAMERA AND UNDER SEAL, SEEKING A PROTECTIVE  
14 ORDER OR AN EXTENSION OF TIME FOR THE RELATOR TO RESPOND TO A  
15 DISCOVERY REQUEST. IF A PARTY IN THE OTHER ACTION MOVES TO COMPEL  
16 AN ANSWER TO THE DISCOVERY, THE RELATOR SHALL FILE, EX PARTE AND  
17 IN CAMERA, A RESPONSE TO THE MOTION TO COMPEL, IN WHICH THE  
18 ATTORNEY GENERAL OR PROSECUTING AUTHORITY MAY JOIN. THE  
19 RESPONSE TO THE MOTION TO COMPEL MUST REMAIN UNDER SEAL UNTIL  
20 SUCH TIME AS THE STATE OR POLITICAL SUBDIVISION ELECTS TO PROCEED  
21 OR NOT PROCEED WITH THE ACTION OR UNTIL SUCH TIME AS THE COURT  
22 LIFTS THE SEAL.

23 **24-31-1205. False claims action procedures - limitation on**  
24 **action - standard of proof.** (1) A CIVIL ACTION PURSUANT TO SECTION  
25 24-31-1204 MAY NOT BE BROUGHT AFTER THE LATER OF:

26 (a) MORE THAN SIX YEARS AFTER THE DATE ON WHICH THE  
27 VIOLATION OF SECTION 24-31-1203 IS COMMITTED OR THE DATE ON WHICH

1 THE LAST IN A SERIES OF SUCH ACTS OR PRACTICES OCCURRED,  
2 WHICHEVER IS LATER; OR

3 (b) MORE THAN THREE YEARS AFTER THE DATE ON WHICH FACTS  
4 MATERIAL TO THE RIGHT OF ACTION ARE KNOWN OR REASONABLY SHOULD  
5 HAVE BEEN KNOWN BY THE OFFICIAL OF THE STATE OR A POLITICAL  
6 SUBDIVISION CHARGED WITH RESPONSIBILITY TO ACT IN THE  
7 CIRCUMSTANCES, BUT IN NO EVENT MORE THAN TEN YEARS AFTER THE  
8 DATE ON WHICH THE VIOLATION OF SECTION 24-31-1203 WAS COMMITTED.

9 (2) (a) IF THE STATE OR A POLITICAL SUBDIVISION ELECTS TO  
10 INTERVENE AND PROCEED WITH AN ACTION BROUGHT PURSUANT TO  
11 SECTION 24-31-1204, THE STATE OR POLITICAL SUBDIVISION MAY FILE ITS  
12 OWN COMPLAINT OR AMEND THE RELATOR'S COMPLAINT TO:

13 (I) CLARIFY AND ADD DETAIL, AND ADD ADDITIONAL DEFENDANTS,  
14 TO THE CLAIMS IN WHICH THE STATE OR POLITICAL SUBDIVISION IS  
15 INTERVENING; AND

16 (II) ADD ANY ADDITIONAL CLAIMS AND DEFENDANTS WITH  
17 RESPECT TO WHICH THE STATE OR POLITICAL SUBDIVISION CONTENDS IT IS  
18 ENTITLED TO RELIEF.

19 (b) FOR STATUTE OF LIMITATIONS PURPOSES, ANY PLEADINGS BY  
20 THE STATE OR POLITICAL SUBDIVISION RELATE BACK TO THE FILING DATE  
21 OF THE RELATOR'S COMPLAINT, TO THE EXTENT THAT THE STATE'S OR  
22 POLITICAL SUBDIVISION'S CLAIM ARISES OUT OF THE CONDUCT,  
23 TRANSACTIONS, OR OCCURRENCES SET FORTH, OR ATTEMPTED TO BE SET  
24 FORTH, IN THE ORIGINAL COMPLAINT OF THE RELATOR.

25 (3) IN AN ACTION BROUGHT PURSUANT TO SECTION 24-31-1204,  
26 THE STATE, POLITICAL SUBDIVISION, OR RELATOR MUST PROVE ALL  
27 ESSENTIAL ELEMENTS OF THE CAUSE OF ACTION, INCLUDING DAMAGES, BY

1 A PREPONDERANCE OF THE EVIDENCE.

2 (4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE  
3 COLORADO RULES OF CRIMINAL PROCEDURE, OR THE COLORADO RULES OF  
4 EVIDENCE, A FINAL JUDGMENT RENDERED IN FAVOR OF THE STATE OR A  
5 POLITICAL SUBDIVISION IN A CRIMINAL PROCEEDING CHARGING FRAUD OR  
6 FALSE STATEMENTS, WHETHER UPON A VERDICT AFTER TRIAL OR UPON A  
7 PLEA OF GUILTY OR NOLO CONTENDERE, SHALL ESTOP THE DEFENDANT  
8 FROM DENYING THE ESSENTIAL ELEMENTS OF THE OFFENSE IN ANY ACTION  
9 THAT INVOLVES THE SAME TRANSACTION AS IN THE CRIMINAL PROCEEDING  
10 AND THAT IS BROUGHT PURSUANT TO SECTION 24-31-1204.

11 **24-31-1206. Jurisdiction.** AN ACTION DESCRIBED IN THIS PART 12  
12 MAY BE BROUGHT IN ANY JUDICIAL DISTRICT IN WHICH THE DEFENDANT  
13 OR, IN THE CASE OF MULTIPLE DEFENDANTS, ANY ONE DEFENDANT CAN BE  
14 FOUND, RESIDES, OR TRANSACTS BUSINESS, OR IN WHICH AN ACT  
15 PROSCRIBED BY SECTION 24-31-1203 OCCURRED. THE APPROPRIATE  
16 DISTRICT COURT SHALL ISSUE A SUMMONS AS REQUIRED BY THE  
17 COLORADO RULES OF CIVIL PROCEDURE AND SERVE THE SUMMONS AT ANY  
18 PLACE.

19 **24-31-1207. False claims civil investigation demands.**

20 (1) WHEN THE ATTORNEY GENERAL HAS REASONABLE CAUSE TO BELIEVE  
21 THAT ANY PERSON, WHETHER IN THIS STATE OR ELSEWHERE, HAS ENGAGED  
22 IN OR IS ENGAGING IN ANY VIOLATION OF SECTION 24-31-1203, THE  
23 ATTORNEY GENERAL MAY:

24 (a) REQUEST THE PERSON FILE A STATEMENT OR REPORT IN  
25 WRITING UNDER OATH OR OTHERWISE, ON FORMS PRESCRIBED BY THE  
26 ATTORNEY GENERAL, AS TO ALL FACTS AND CIRCUMSTANCES CONCERNING  
27 THE ALLEGED VIOLATIONS BY THE PERSON AND ANY OTHER DATA AND

1 INFORMATION THE ATTORNEY GENERAL DEEMS NECESSARY;

2 (b) EXAMINE UNDER OATH ANY PERSON IN CONNECTION WITH THE

3 ALLEGED VIOLATIONS;

4 (c) EXAMINE ANY PROPERTY OR SAMPLE THEREOF, RECORD, BOOK,

5 DOCUMENT, ACCOUNT, OR PAPER THE ATTORNEY GENERAL DEEMS

6 NECESSARY;

7 (d) MAKE TRUE COPIES, AT THE EXPENSE OF THE ATTORNEY

8 GENERAL, OF ANY RECORD, BOOK, DOCUMENT, ACCOUNT, OR PAPER

9 EXAMINED PURSUANT TO SUBSECTION (1)(c) OF THIS SECTION, WHICH

10 COPIES MAY BE OFFERED INTO EVIDENCE IN LIEU OF THE ORIGINALS

11 THEREOF IN AN ACTION BROUGHT PURSUANT TO THIS PART 12; AND

12 (e) PURSUANT TO ANY ORDER OF ANY DISTRICT COURT, IMPOUND

13 ANY SAMPLE OF PROPERTY THAT IS MATERIAL TO ANY ALLEGED VIOLATION

14 OF THIS PART 12 AND RETAIN THE SAME IN THE ATTORNEY GENERAL'S

15 POSSESSION UNTIL COMPLETION OF ALL PROCEEDINGS UNDERTAKEN

16 PURSUANT TO THIS PART 12. A DISTRICT COURT SHALL NOT ISSUE AN

17 ORDER DESCRIBED IN THIS SUBSECTION (1)(e) WITHOUT GIVING FULL

18 OPPORTUNITY TO THE ACCUSED TO BE HEARD AND UNLESS THE ATTORNEY

19 GENERAL HAS PROVEN BY CLEAR AND CONVINCING EVIDENCE THAT THE

20 ORDER WILL NOT IMPAIR THE BUSINESS ACTIVITIES OF THE PERSON TO

21 WHOM THE ORDER IS DIRECTED.

22 (2) WHEN THE ATTORNEY GENERAL HAS REASONABLE CAUSE TO

23 BELIEVE THAT A PERSON, WHETHER IN THIS STATE OR ELSEWHERE, HAS

24 ENGAGED IN OR IS ENGAGING IN A VIOLATION OF SECTION 24-31-1203, THE

25 ATTORNEY GENERAL MAY ISSUE SUBPOENAS TO REQUIRE THE

26 ATTENDANCE OF WITNESSES OR THE PRODUCTION OF DOCUMENTS,

27 ADMINISTER OATHS, CONDUCT HEARINGS IN AID OF ANY INVESTIGATION OR

1 INQUIRY, AND PRESCRIBE SUCH FORMS AS MAY BE NECESSARY TO  
2 ADMINISTER THIS PART 12.

3 (3) THE ATTORNEY GENERAL MAY ISSUE SUBPOENAS TO ANY  
4 PUBLIC OR PRIVATE CORPORATION OR PARTNERSHIP OR ASSOCIATION OR  
5 GOVERNMENTAL ENTITY TO PRODUCE WITNESSES TO APPEAR AND GIVE  
6 ORAL TESTIMONY AT INVESTIGATIVE HEARINGS. THE SUBPOENAS MAY  
7 DESIGNATE WITH REASONABLE PARTICULARITY THE MATTERS ON WHICH  
8 EXAMINATION IS REQUESTED. IN RESPONSE TO THE SUBPOENA, THE ENTITY  
9 SHALL DESIGNATE ONE OR MORE OFFICERS, DIRECTORS, OR MANAGING  
10 AGENTS, OR DESIGNATE OTHER PERSONS, TO TESTIFY ON ITS BEHALF.

11 (4) A NOTICE OR SUBPOENA MAY BE SERVED IN THE MANNER  
12 PRESCRIBED BY LAW OR AS PROVIDED IN RULE 4 OF THE COLORADO RULES  
13 OF CIVIL PROCEDURE.

14 (5) (a) IF THE RECORDS OF A PERSON WHO HAS BEEN ISSUED A  
15 SUBPOENA ARE LOCATED OUTSIDE THIS STATE, THE PERSON SHALL EITHER:

16 (I) MAKE THEM AVAILABLE TO THE ATTORNEY GENERAL EITHER  
17 ELECTRONICALLY OR AT A CONVENIENT LOCATION WITHIN THIS STATE; OR

18 (II) PAY THE REASONABLE AND NECESSARY EXPENSES FOR THE  
19 ATTORNEY GENERAL, OR THE ATTORNEY GENERAL'S DESIGNEE, TO  
20 EXAMINE THE RECORDS AT THE PLACE WHERE THEY ARE MAINTAINED.

21 (b) THE ATTORNEY GENERAL MAY DESIGNATE REPRESENTATIVES,  
22 INCLUDING COMPARABLE OFFICIALS OF THE STATE IN WHICH THE RECORDS  
23 ARE LOCATED, TO INSPECT THE RECORDS ON BEHALF OF THE ATTORNEY  
24 GENERAL.

25 (6) IF ANY PERSON FAILS TO COOPERATE WITH ANY INVESTIGATION  
26 PURSUANT TO THIS SECTION OR FAILS TO OBEY ANY SUBPOENA ISSUED  
27 PURSUANT TO THIS SECTION, THE ATTORNEY GENERAL MAY APPLY TO THE

1 APPROPRIATE DISTRICT COURT FOR AN APPROPRIATE ORDER TO  
2 EFFECTUATE THE PURPOSES OF THIS PART 12. AT THE REQUEST OF THE  
3 ATTORNEY GENERAL, THE APPLICATION MAY BE FILED IN CAMERA AND  
4 KEPT CONFIDENTIAL TO MAINTAIN THE CONFIDENTIALITY OF THE  
5 ATTORNEY GENERAL'S INVESTIGATION. THE APPLICATION MUST STATE  
6 THAT THERE ARE REASONABLE GROUNDS TO BELIEVE THAT THE ORDER  
7 APPLIED FOR IS NECESSARY TO INVESTIGATE A VIOLATION OF THIS PART 12.  
8 IF THE COURT IS SATISFIED THAT REASONABLE GROUNDS EXIST, THE COURT  
9 IN ITS ORDER MAY:

10 (a) GRANT APPROPRIATE INJUNCTIVE RELIEF;

11 (b) REQUIRE ATTENDANCE OF OR THE PRODUCTION OF DOCUMENTS  
12 BY THE PERSON, OR BOTH;

13 (c) GRANT OTHER OR FURTHER RELIEF AS MAY BE NECESSARY TO  
14 OBTAIN COMPLIANCE BY THE PERSON.

15 **24-31-1208. Rule-making.** THE ATTORNEY GENERAL MAY  
16 PROMULGATE RULES NECESSARY TO IMPLEMENT THIS PART 12.

17 **24-31-1209. Use of recoveries - false claims recovery cash fund**  
18 **- creation.** (1) THE STATE TREASURER SHALL TRANSFER ALL PROCEEDS  
19 RETAINED BY THE STATE FROM A FALSE CLAIMS ACTION BROUGHT  
20 PURSUANT TO THIS PART 12 TO THE FALSE CLAIMS RECOVERY CASH FUND,  
21 WHICH IS HEREBY CREATED.

22 (2) ANY MONEY IN THE FUND NOT EXPENDED FOR THE PURPOSE OF  
23 THIS SECTION MAY BE INVESTED BY THE STATE TREASURER AS PROVIDED  
24 BY LAW. ALL INTEREST AND INCOME DERIVED FROM INVESTMENT AND  
25 DEPOSIT OF MONEY IN THE FUND SHALL BE CREDITED TO THE FUND.

26 (3) (a) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL  
27 ASSEMBLY, THE DEPARTMENT MAY EXPEND MONEY FROM THE FUND FOR

1 NECESSARY ACTUAL COSTS OF CARRYING OUT ITS DUTIES PURSUANT TO  
2 THIS PART 12.

3 (b) (I) WHEN PROCEEDS RETAINED BY THE STATE FROM A FALSE  
4 CLAIMS ACTION ARE DEPOSITED INTO THE FUND, THE ATTORNEY GENERAL  
5 SHALL DETERMINE THE AMOUNT OF THE PROCEEDS THAT SHOULD REMAIN  
6 IN THE FUND FOR USE BY THE DEPARTMENT FOR THE COSTS OF CARRYING  
7 OUT ITS DUTIES PURSUANT TO THIS PART 12.

8 (II) IF THE AMOUNT OF THE PROCEEDS IS EQUAL TO OR EXCEEDS  
9 THE AMOUNT OF THE FALSE CLAIM PLUS THE DEPARTMENT'S COSTS, THE  
10 ATTORNEY GENERAL SHALL DIRECT THE STATE TREASURER TO CREDIT TO  
11 THE ORIGINAL FUND FROM WHICH THE FALSE CLAIM WAS PAID AN AMOUNT  
12 EQUAL TO THE FALSE CLAIM.

13 (III) IF THE AMOUNT OF THE PROCEEDS IS LESS THAN THE AMOUNT  
14 OF THE FALSE CLAIM PLUS THE DEPARTMENT'S COSTS, THE ATTORNEY  
15 GENERAL SHALL DIRECT THE STATE TREASURER TO CREDIT TO THE  
16 ORIGINAL FUND FROM WHICH THE FALSE CLAIM WAS PAID A PRO-RATED  
17 AMOUNT BASED ON THE ACTUAL RECOVERY.

18 (4) ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING  
19 IN THE FUND AT THE END OF A FISCAL YEAR SHALL REMAIN IN THE FUND  
20 AND SHALL NOT BE CREDITED OR TRANSFERRED TO ANOTHER FUND.

21 **24-31-1210. No limitations on common law authority -**  
22 **medicaid fraud control.** NOTHING IN THIS PART 12 AFFECTS, LIMITS, OR  
23 SUPPLANTS THE COMMON LAW AUTHORITY OF THE ATTORNEY GENERAL OR  
24 THE DEPARTMENT TO INVESTIGATE AND PROSECUTE MEDICAID FRAUD  
25 PURSUANT TO PART 8 OF THIS ARTICLE 31.

26 **SECTION 3.** In Colorado Revised Statutes, 2-3-109, **add** (3) as  
27 follows:

1           **2-3-109. Emergency reports.** (3) IF THE STATE AUDITOR IN THE  
2 COURSE OF AN AUDIT FINDS EVIDENCE OF APPARENTLY FALSE CLAIMS  
3 RELATED TO PUBLIC FUNDS OR PROPERTY, THE STATE AUDITOR SHALL  
4 IMMEDIATELY REPORT SUCH TRANSACTIONS TO THE COMMITTEE AND  
5 SHALL FILE A WRITTEN COPY OF THE REPORT WITH THE ATTORNEY  
6 GENERAL.

7           **SECTION 4.** In Colorado Revised Statutes, 2-3-110.5, **amend**  
8 (3)(a)(II) as follows:

9           **2-3-110.5. Fraud hotline - investigations - confidentiality -**  
10 **access to records - definitions.** (3) (a) (II) The state auditor shall  
11 forward all hotline calls alleging fraud by a medicaid recipient to the  
12 department of health care policy and financing, ~~and~~ all calls alleging  
13 fraud by a medicaid provider or contractor to the medicaid fraud control  
14 unit of the office of the attorney general, AND ALL CALLS ALLEGING FRAUD  
15 IN VIOLATION OF THE "COLORADO FALSE CLAIMS ACT", PART 12 OF  
16 ARTICLE 31 OF TITLE 24, TO THE ATTORNEY GENERAL UNLESS THE  
17 ALLEGATION RELATES TO A STATE EMPLOYEE IN THE PERFORMANCE OF  
18 THE EMPLOYEE'S DUTIES.

19           **SECTION 5. Act subject to petition - effective date.** This act  
20 takes effect at 12:01 a.m. on the day following the expiration of the  
21 ninety-day period after final adjournment of the general assembly; except  
22 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
23 of the state constitution against this act or an item, section, or part of this  
24 act within such period, then the act, item, section, or part will not take  
25 effect unless approved by the people at the general election to be held in  
26 November 2022 and, in such case, will take effect on the date of the  
27 official declaration of the vote thereon by the governor.