

REFERENCE TITLE: state false claims actions

State of Arizona  
House of Representatives  
Fiftieth Legislature  
First Regular Session  
2011

# HB 2674

Introduced by  
Representatives Patterson: Barton

AN ACT

AMENDING TITLE 12, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 22; RELATING  
TO STATE FALSE CLAIMS ACTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 12, Arizona Revised Statutes, is amended by adding  
3 chapter 22, to read:

4 CHAPTER 22

5 STATE FALSE CLAIMS ACTIONS

6 ARTICLE 1. GENERAL PROVISIONS

7 12-3051. Definitions

8 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "CLAIM":

10 (a) INCLUDES ANY REQUEST OR DEMAND FOR MONEY OR PROPERTY, WHETHER OR  
11 NOT THE STATE HAS TITLE TO THE MONEY OR PROPERTY, MADE TO ANY EMPLOYEE,  
12 OFFICER OR AGENT OF THIS STATE OR TO ANY CONTRACTOR, GRANTEE OR OTHER  
13 RECIPIENT, WHETHER UNDER CONTRACT OR NOT, IF THE MONEY OR PROPERTY REQUESTED  
14 OR DEMANDED IS SPENT OR USED ON THE BEHALF OF THIS STATE OR TO ADVANCE AN  
15 ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM PROGRAM OR INTEREST AND THE STATE  
16 DOES EITHER OF THE FOLLOWING:

17 (i) PROVIDES OR HAS PROVIDED ANY PORTION OF THE MONEY OR PROPERTY THAT  
18 IS REQUESTED OR DEMANDED.

19 (ii) WILL REIMBURSE THE CONTRACTOR, GRANTEE OR OTHER RECIPIENT FOR ANY  
20 PORTION OF THE MONEY OR PROPERTY THAT IS REQUESTED OR DEMANDED.

21 (b) DOES NOT INCLUDE REQUESTS OR DEMANDS FOR PROPERTY THAT THE STATE  
22 HAS PAID TO AN INDIVIDUAL AS COMPENSATION FOR STATE EMPLOYMENT OR AS AN  
23 INCOME SUBSIDY WITH NO RESTRICTIONS ON THE INDIVIDUAL'S USE OF THE MONEY OR  
24 PROPERTY.

25 2. "KNOWING" AND "KNOWINGLY" MEAN THAT A PERSON, WITH RESPECT TO  
26 INFORMATION, DOES ANY OF THE FOLLOWING:

27 (a) HAS ACTUAL KNOWLEDGE OF THE INFORMATION.

28 (b) ACTS IN DELIBERATE IGNORANCE OF THE TRUTH OR FALSITY OF THE  
29 INFORMATION.

30 (c) ACTS IN RECKLESS DISREGARD OF THE TRUTH OR FALSITY OF THE  
31 INFORMATION.

32 3. "MATERIAL" MEANS HAVING A NATURAL TENDENCY TO INFLUENCE OR BE  
33 CAPABLE OF INFLUENCING THE PAYMENT OR RECEIPT OF MONEY OR PROPERTY.

34 4. "OBLIGATION" MEANS AN ESTABLISHED DUTY, WHETHER FIXED OR NOT,  
35 ARISING FROM AN EXPRESS OR IMPLIED RELATIONSHIP THAT IS EITHER CONTRACTUAL OR  
36 BETWEEN A GRANTOR AND GRANTEE OR LICENSOR AND LICENSEE, FROM A FEE BASED OR  
37 SIMILAR RELATIONSHIP, STATUTE, RULE OR RETENTION OF ANY OVERPAYMENT.

38 12-3052. False claims action; damages; civil penalty;  
39 applicability

40 A. A PERSON WHO DOES ANY OF THE FOLLOWING IS LIABLE TO THIS STATE:

41 1. KNOWINGLY PRESENTS OR CAUSES TO BE PRESENTED A FALSE CLAIM FOR  
42 PAYMENT OR APPROVAL.

43 2. KNOWINGLY MAKES, USES OR CAUSES TO BE MADE OR USED A FALSE RECORD  
44 OR STATEMENT THAT IS MATERIAL TO A FALSE OR FRAUDULENT CLAIM.

1           3. CONSPIRES TO DEFRAUD PURSUANT TO PARAGRAPH 1, 2, 4, 5, 6 OR 7 OF  
2 THIS SUBSECTION.

3           4. HAS POSSESSION, CUSTODY OR CONTROL OF PROPERTY OR MONEY USED OR  
4 THAT WILL BE USED BY THIS STATE AND WHO KNOWINGLY DELIVERS OR CAUSES TO BE  
5 DELIVERED LESS PROPERTY THAN ALL OF THE PROPERTY OR MONEY.

6           5. IS AUTHORIZED TO MAKE OR DELIVER A DOCUMENT CERTIFYING RECEIPT OF  
7 PROPERTY USED OR THAT WILL BE USED BY THIS STATE AND WHO WITH INTENT TO  
8 DEFRAUD MAKES OR DELIVERS THE RECEIPT WITHOUT COMPLETELY KNOWING THAT THE  
9 INFORMATION ON THE RECEIPT IS TRUE.

10          6. KNOWINGLY BUYS OR RECEIVES, AS A PLEDGE OF AN OBLIGATION OR DEBT,  
11 PUBLIC PROPERTY FROM ANY OFFICER OR EMPLOYEE OF THIS STATE WHO LAWFULLY MAY  
12 NOT SELL OR PLEDGE THE PROPERTY.

13          7. KNOWINGLY MAKES, USES OR CAUSES TO BE MADE OR USED A FALSE RECORD  
14 OR STATEMENT MATERIAL TO AN OBLIGATION TO PAY OR TRANSMIT MONEY OR PROPERTY  
15 TO THE STATE OR KNOWINGLY CONCEALS OR KNOWINGLY AND IMPROPERLY AVOIDS OR  
16 DECREASES AN OBLIGATION TO PAY OR TRANSMIT MONEY OR PROPERTY TO THIS STATE.

17          B. A PERSON WHO VIOLATES SUBSECTION A IS LIABLE FOR THREE TIMES THE  
18 AMOUNT OF DAMAGES THAT THIS STATE SUSTAINS BECAUSE OF THE ACT OF THAT PERSON,  
19 IS LIABLE FOR THE COSTS OF A CIVIL ACTION BROUGHT TO RECOVER ANY OF THOSE  
20 PENALTIES OR DAMAGES AND MAY BE LIABLE TO THIS STATE FOR A CIVIL PENALTY OF  
21 NOT LESS THAN FIVE THOUSAND FIVE HUNDRED DOLLARS AND NOT MORE THAN ELEVEN  
22 THOUSAND DOLLARS FOR EACH VIOLATION.

23          C. NOTWITHSTANDING SUBSECTION B, THE COURT MAY LIMIT THE AMOUNT OF  
24 DAMAGES ASSESSED TO NOT MORE THAN TWO TIMES THE AMOUNT OF DAMAGES THAT THIS  
25 STATE SUSTAINS BECAUSE OF THE ACT OF THE PERSON AND MAY NOT ASSESS A CIVIL  
26 PENALTY IF THE COURT FINDS THAT ALL OF THE FOLLOWING APPLY:

27           1. THE PERSON COMMITTING THE VIOLATION FURNISHED OFFICIALS OF THIS  
28 STATE WHO ARE RESPONSIBLE FOR INVESTIGATING FALSE CLAIMS VIOLATIONS WITH ALL  
29 INFORMATION KNOWN TO THAT PERSON ABOUT THE VIOLATION WITHIN THIRTY DAYS AFTER  
30 THE DATE ON WHICH THE PERSON FIRST OBTAINED THE INFORMATION.

31           2. THE PERSON FULLY COOPERATED WITH ANY INVESTIGATION OF THE VIOLATION  
32 BY THIS STATE.

33           3. AT THE TIME THE PERSON FURNISHED THIS STATE WITH INFORMATION ABOUT  
34 THE VIOLATION NO CRIMINAL PROSECUTION, CIVIL ACTION OR ADMINISTRATIVE ACTION  
35 HAD COMMENCED WITH RESPECT TO THE VIOLATION AND THE PERSON DID NOT HAVE  
36 ACTUAL KNOWLEDGE OF THE EXISTENCE OF AN INVESTIGATION INTO THE VIOLATION.

37          D. THIS SECTION DOES NOT APPLY TO CLAIMS, RECORDS OR STATEMENTS THAT  
38 ARE MADE PURSUANT TITLE 42 OR 43.

39                   ARTICLE 2. INVESTIGATIONS AND PROSECUTIONS

40           12-3061. Investigation and prosecution of false claims;  
41                                   attorney general; qui tam plaintiff; prosecuting  
42                                   authority

43          A. THE ATTORNEY GENERAL SHALL DILIGENTLY INVESTIGATE ANY ACT THAT IS  
44 LISTED IN SECTION 12-3052. IF THE ATTORNEY GENERAL FINDS THAT A PERSON HAS

1 COMMITTED AN ACT OR IS COMMITTING AN ACT LISTED IN SECTION 12-3052, THE  
2 ATTORNEY GENERAL MAY BRING A CIVIL ACTION AGAINST THAT PERSON.

3 B. A PRIVATE PERSON MAY BRING A QUI TAM ACTION FOR AN ACT THAT IS  
4 COMMITTED OR HAS BEEN COMMITTED BY ANOTHER PERSON AND THAT IS LISTED IN  
5 SECTION 12-3052 FOR THE STATE OF ARIZONA IN THE NAME OF THE STATE. THE  
6 ACTION MAY BE DISMISSED ONLY WITH THE WRITTEN CONSENT OF THE COURT AND THE  
7 ATTORNEY GENERAL. THE COMPLAINT SHALL BE FILED IN SUPERIOR COURT IN CAMERA  
8 AND SHALL REMAIN UNDER SEAL FOR AT LEAST ONE HUNDRED TWENTY DAYS. THE  
9 DEFENDANT SHALL NOT BE SERVED UNTIL THE COURT ORDERS THE SERVICE OF THE  
10 DEFENDANT.

11 C. ON THE SAME DAY AS THE COMPLAINT IS FILED PURSUANT TO SUBSECTION B  
12 OF THIS SECTION, THE QUI TAM PLAINTIFF SHALL SERVE ON THE ATTORNEY GENERAL BY  
13 CERTIFIED MAIL, RETURN RECEIPT REQUESTED, A COPY OF THE COMPLAINT AND A  
14 WRITTEN DISCLOSURE OF SUBSTANTIALLY ALL MATERIAL EVIDENCE AND INFORMATION THE  
15 PERSON POSSESSES. THE STATE MAY INTERVENE AND PROCEED WITH THE ACTION WITHIN  
16 ONE HUNDRED TWENTY DAYS AFTER IT RECEIVES BOTH THE COMPLAINT AND THE MATERIAL  
17 EVIDENCE AND INFORMATION.

18 D. THE STATE, FOR GOOD CAUSE SHOWN, MAY MOVE THE COURT FOR EXTENSIONS  
19 OF THE TIME DURING WHICH THE COMPLAINT REMAINS UNDER SEAL PURSUANT TO  
20 SUBSECTION B OF THIS SECTION. A MOTION MAY BE SUPPORTED BY AFFIDAVITS OR  
21 OTHER SUBMISSIONS IN CAMERA. THE DEFENDANT IS NOT REQUIRED TO RESPOND TO ANY  
22 COMPLAINT FILED UNDER THIS SECTION UNTIL THIRTY DAYS AFTER THE COMPLAINT IS  
23 UNSEALED AND SERVED ON THE DEFENDANT PURSUANT TO THE ARIZONA RULES OF CIVIL  
24 PROCEDURE.

25 E. BEFORE THE EXPIRATION OF THE ONE HUNDRED TWENTY DAY PERIOD OR ANY  
26 EXTENSIONS OBTAINED PURSUANT TO SUBSECTION D OF THIS SECTION, THE STATE SHALL  
27 EITHER:

- 28 1. PROCEED WITH THE ACTION.
- 29 2. NOTIFY THE COURT THAT IT DECLINES TO TAKE OVER THE ACTION, IN WHICH  
30 CASE THE PERSON BRINGING THE ACTION MAY CONDUCT THE ACTION.

31 F. AFTER A PERSON BRINGS AN ACTION UNDER THIS SECTION, NO OTHER PERSON  
32 MAY BRING A RELATED ACTION BASED ON THE FACTS UNDERLYING THE PENDING ACTION.

33 12-3062. Rights of the parties

34 A. IF THE ATTORNEY GENERAL PROCEEDS WITH AN ACTION PURSUANT TO SECTION  
35 12-3061, IT HAS THE PRIMARY RESPONSIBILITY FOR PROSECUTING THE ACTION AND IS  
36 NOT BOUND BY AN ACT OF THE QUI TAM PLAINTIFF. THE QUI TAM PLAINTIFF HAS THE  
37 RIGHT TO CONTINUE AS A PARTY TO THE ACTION, SUBJECT TO THE LIMITATIONS SET  
38 FORTH IN SUBSECTIONS B, C AND D OF THIS SECTION.

39 B. NOTWITHSTANDING THE OBJECTIONS OF THE QUI TAM PLAINTIFF, THE  
40 ATTORNEY GENERAL MAY DISMISS THE ACTION FOR GOOD CAUSE IF THE QUI TAM  
41 PLAINTIFF HAS BEEN NOTIFIED BY THE ATTORNEY GENERAL OF THE FILING OF THE  
42 MOTION AND THE COURT HAS PROVIDED THE QUI TAM PLAINTIFF WITH AN OPPORTUNITY  
43 FOR A HEARING ON THE MOTION.

44 C. NOTWITHSTANDING THE OBJECTIONS OF THE QUI TAM PLAINTIFF, THE  
45 ATTORNEY GENERAL MAY SETTLE THE ACTION WITH THE DEFENDANT IF THE COURT

1 DETERMINES, AFTER A HEARING, THAT THE PROPOSED SETTLEMENT IS FAIR, ADEQUATE  
2 AND REASONABLE UNDER ALL THE CIRCUMSTANCES. ON A SHOWING OF GOOD CAUSE, THE  
3 HEARING MAY BE HEARD IN CAMERA.

4 D. ON A SHOWING BY THE ATTORNEY GENERAL THAT UNRESTRICTED  
5 PARTICIPATION DURING THE COURSE OF THE LITIGATION BY THE QUI TAM PLAINTIFF  
6 WOULD INTERFERE WITH OR UNDULY DELAY THE ATTORNEY GENERAL'S PROSECUTION OF  
7 THE CASE, WOULD CAUSE THE DEFENDANT UNDUE BURDEN OR UNNECESSARY EXPENSE OR  
8 WOULD BE REPETITIOUS, IRRELEVANT OR FOR PURPOSES OF HARASSMENT, THE COURT MAY  
9 LIMIT THE QUI TAM PLAINTIFF'S PARTICIPATION BY:

- 10 1. LIMITING THE NUMBER OF WITNESSES THE QUI TAM PLAINTIFF MAY CALL.
- 11 2. LIMITING THE LENGTH OF THE TESTIMONY OF THE CALLED WITNESSES.
- 12 3. LIMITING THE QUI TAM PLAINTIFF'S CROSS-EXAMINATION OF WITNESSES.
- 13 4. OTHERWISE LIMITING THE PARTICIPATION BY THE QUI TAM PLAINTIFF IN  
14 THE LITIGATION.

15 E. IF THE ATTORNEY GENERAL ELECTS NOT TO PROCEED WITH THE ACTION, THE  
16 QUI TAM PLAINTIFF HAS THE RIGHT TO CONDUCT THE ACTION. IF THE ATTORNEY  
17 GENERAL REQUESTS, THE ATTORNEY GENERAL SHALL BE SERVED WITH COPIES OF ALL  
18 PLEADINGS FILED IN THE ACTION AND SHALL BE SUPPLIED WITH COPIES OF ALL  
19 DEPOSITION TRANSCRIPTS AT THE STATE'S EXPENSE. IF A QUI TAM PLAINTIFF  
20 PROCEEDS WITH THE ACTION, THE COURT, WITHOUT LIMITING THE STATUS AND RIGHTS  
21 OF THE QUI TAM PLAINTIFF, MAY PERMIT THE ATTORNEY GENERAL TO INTERVENE AT A  
22 LATER DATE ON A SHOWING OF GOOD CAUSE.

23 F. WHETHER OR NOT THE ATTORNEY GENERAL PROCEEDS WITH THE ACTION, IF  
24 THE ATTORNEY GENERAL SHOWS THAT CERTAIN ACTIONS OF DISCOVERY BY THE QUI TAM  
25 PLAINTIFF WOULD INTERFERE WITH THE ATTORNEY GENERAL'S INVESTIGATION OR  
26 PROSECUTION OF A CRIMINAL OR CIVIL MATTER ARISING OUT OF THE SAME FACTS, THE  
27 COURT MAY STAY THE DISCOVERY FOR NOT MORE THAN ONE HUNDRED TWENTY DAYS. A  
28 SHOWING SHALL BE CONDUCTED IN CAMERA. THE COURT MAY EXTEND THE ONE HUNDRED  
29 TWENTY DAY PERIOD ON A FURTHER SHOWING IN CAMERA THAT THE ATTORNEY GENERAL  
30 HAS PURSUED THE CRIMINAL OR CIVIL INVESTIGATION OR PROCEEDINGS WITH  
31 REASONABLE DILIGENCE AND ANY PROPOSED DISCOVERY IN THE CIVIL ACTION WILL  
32 INTERFERE WITH THE ONGOING CRIMINAL OR CIVIL INVESTIGATIONS OR PROCEEDINGS.

33 G. NOTWITHSTANDING SECTION 12-3052, THE ATTORNEY GENERAL MAY ELECT TO  
34 PURSUE ITS CLAIM THROUGH ANY ALTERNATE REMEDY AVAILABLE TO THE STATE,  
35 INCLUDING ANY ADMINISTRATIVE PROCEEDING TO DETERMINE A CIVIL PENALTY. IF AN  
36 ALTERNATE REMEDY IS PURSUED IN ANOTHER PROCEEDING, THE QUI TAM PLAINTIFF HAS  
37 THE SAME RIGHTS IN THAT PROCEEDING AS THE QUI TAM PLAINTIFF WOULD HAVE HAD IF  
38 THE ACTION HAD CONTINUED UNDER THIS SECTION. ANY FINDING OF FACT OR  
39 CONCLUSION OF LAW MADE IN THE OTHER PROCEEDING THAT HAS BECOME FINAL IS  
40 CONCLUSIVE ON ALL PARTIES TO AN ACTION UNDER THIS SECTION. FOR THE PURPOSES  
41 OF THIS SUBSECTION, A FINDING OR CONCLUSION IS FINAL IF IT HAS BEEN FINALLY  
42 DETERMINED ON APPEAL TO THE APPROPRIATE COURT, IF ALL TIME FOR FILING AN  
43 APPEAL WITH RESPECT TO THE FINDING OR CONCLUSION HAS EXPIRED OR IF THE  
44 FINDING OR CONCLUSION IS NOT SUBJECT TO JUDICIAL REVIEW.

1           12-3063. Awards; apportionment of proceeds; fees and costs

2           A. THE COURT SHALL APPORTION ANY PROCEEDS IN A CIVIL ACTION FILED  
3 PURSUANT TO SECTION 12-3061 IN THE FOLLOWING MANNER:

4           1. IF THE ATTORNEY GENERAL PROCEEDS WITH AN ACTION BROUGHT BY A  
5 PRIVATE PARTY PLAINTIFF UNDER SECTION 12-3062, THE QUI TAM PLAINTIFF SHALL  
6 RECEIVE AT LEAST FIFTEEN PER CENT BUT NOT MORE THAN TWENTY-FIVE PER CENT OF  
7 THE PROCEEDS OF THE ACTION OR SETTLEMENT OF THE CLAIM DEPENDING ON THE EXTENT  
8 TO WHICH THE QUI TAM PLAINTIFF SUBSTANTIALLY CONTRIBUTED TO THE PROSECUTION  
9 OF THE ACTION.

10          2. IF THE COURT FINDS THAT THE ACTION IS BASED PRIMARILY ON  
11 DISCLOSURES OF SPECIFIC INFORMATION, OTHER THAN INFORMATION PROVIDED BY THE  
12 QUI TAM PLAINTIFF, THAT RELATES TO THE ALLEGATIONS OR TRANSACTIONS IN A  
13 CRIMINAL, CIVIL OR ADMINISTRATIVE HEARING AT THE STATE OR FEDERAL LEVEL, IN A  
14 CONGRESSIONAL, LEGISLATIVE, ADMINISTRATIVE, GENERAL ACCOUNTING OFFICE OR  
15 STATE AUDITOR'S REPORT, HEARING, AUDIT OR INVESTIGATION OR FROM NEWS MEDIA,  
16 THE COURT MAY AWARD THE AMOUNT IT CONSIDERS APPROPRIATE BUT SHALL NOT AWARD  
17 MORE THAN TEN PER CENT OF THE PROCEEDS TO THE QUI TAM PLAINTIFF, TAKING INTO  
18 ACCOUNT THE SIGNIFICANCE OF THE INFORMATION AND THE ROLE OF THE QUI TAM  
19 PLAINTIFF IN ADVANCING THE CASE.

20          3. IF THE ATTORNEY GENERAL DOES NOT PROCEED WITH AN ACTION UNDER  
21 SECTION 12-3061, SUBSECTION A, THE QUI TAM PLAINTIFF SHALL RECEIVE AN AMOUNT  
22 THAT THE COURT DECIDES IS REASONABLE FOR COLLECTING THE CIVIL PENALTY AND  
23 DAMAGES. THE AMOUNT SHALL NOT BE LESS THAN TWENTY-FIVE PER CENT AND NOT MORE  
24 THAN THIRTY PER CENT OF THE PROCEEDS OF THE ACTION OR SETTLEMENT AND SHALL BE  
25 PAID OUT OF THE PROCEEDS.

26          4. IF THE COURT FINDS THAT THE QUI TAM PLAINTIFF WAS INVOLVED IN ANY  
27 PLANNING OR CARRYING OUT OF THE ACTS THAT ARE THE BASIS OF THE ACTION, THE  
28 COURT, TAKING INTO ACCOUNT THE ROLE OF THE QUI TAM PLAINTIFF IN ADVANCING THE  
29 CASE TO LITIGATION, MAY REDUCE THE SHARE OF THE PROCEEDS THE QUI TAM  
30 PLAINTIFF IS OTHERWISE ENTITLED TO RECEIVE PURSUANT TO THIS SUBSECTION. IF  
31 THE QUI TAM PLAINTIFF IS CONVICTED OF CRIMINAL CONDUCT ARISING FROM THE  
32 PERSON'S ROLE IN THE VIOLATION OF SECTION 12-3052, THE QUI TAM PLAINTIFF  
33 SHALL BE DISMISSED FROM THE CIVIL ACTION AND NOT RECEIVE ANY SHARE OF THE  
34 PROCEEDS. A DISMISSAL OF THE QUI TAM PLAINTIFF DOES NOT PREJUDICE THE RIGHT  
35 OF THE ATTORNEY GENERAL TO PURSUE THE CIVIL ACTION.

36          B. IF THE ATTORNEY GENERAL OR THE QUI TAM PLAINTIFF PREVAILS IN OR  
37 SETTLES ANY QUI TAM ACTION UNDER SECTION 12-3052, THE COURT SHALL AWARD THE  
38 PLAINTIFF REASONABLE EXPENSES, COSTS AND ATTORNEY FEES.

39          C. IF THE ATTORNEY GENERAL DOES NOT PROCEED WITH THE ACTION AND THE  
40 QUI TAM PLAINTIFF CONDUCTS THE ACTION, THE COURT MAY AWARD THE DEFENDANT  
41 REASONABLE ATTORNEY FEES AND EXPENSES IF THE DEFENDANT PREVAILS IN THE ACTION  
42 AND THE COURT FINDS THAT THE CLAIM OF THE QUI TAM PLAINTIFF WAS CLEARLY  
43 FRIVOLOUS, CLEARLY VEXATIOUS OR BROUGHT SOLELY FOR PURPOSES OF HARASSMENT.

44          D. THE ATTORNEY GENERAL MAY RETAIN A PORTION OF THE DAMAGES RECOVERED  
45 FOR A STATE AGENCY OUT OF THE PROCEEDS OF THE ACTION OR SETTLEMENT UNDER THIS

1 CHAPTER AS REIMBURSEMENT FOR COSTS INCURRED BY THE ATTORNEY GENERAL IN  
2 INVESTIGATING AND BRINGING A CIVIL ACTION UNDER THIS CHAPTER, INCLUDING  
3 REASONABLE ATTORNEY FEES AND INVESTIGATIVE COSTS. THE ATTORNEY GENERAL SHALL  
4 USE RETAINED FUNDS TO CARRY OUT THE PROVISIONS OF THIS CHAPTER.

5 12-3064. Jurisdiction

6 A COURT DOES NOT HAVE JURISDICTION OVER AN ACTION THAT IS:

7 1. BROUGHT UNDER SECTION 12-3061 AGAINST A MEMBER OF THE SENATE OR  
8 HOUSE OF REPRESENTATIVES, A MEMBER OF THE JUDICIARY, AN ELECTED OFFICIAL IN  
9 THE EXECUTIVE BRANCH OR A MEMBER OF THE GOVERNING BODY OF ANY POLITICAL  
10 SUBDIVISION OF THIS STATE IF THE ACTION IS BASED ON EVIDENCE OR INFORMATION  
11 THAT WAS KNOWN TO THIS STATE WHEN THE ACTION WAS BROUGHT.

12 2. BASED ON THE PUBLIC DISCLOSURE OF ALLEGATIONS OR TRANSACTIONS IN A  
13 CRIMINAL, CIVIL OR ADMINISTRATIVE HEARING, IN AN INVESTIGATION, REPORT,  
14 HEARING OR AUDIT CONDUCTED BY OR AT THE REQUEST OF THE SENATE, THE HOUSE OF  
15 REPRESENTATIVES, THE AUDITOR OR GOVERNING BODY OF A POLITICAL SUBDIVISION OF  
16 THIS STATE OR FROM THE NEWS MEDIA, UNLESS THE ACTION IS BROUGHT BY THE  
17 ATTORNEY GENERAL OR THE PERSON BRINGING THE ACTION IS AN ORIGINAL SOURCE OF  
18 THE INFORMATION. FOR THE PURPOSES OF THIS PARAGRAPH, "ORIGINAL SOURCE" MEANS  
19 AN INDIVIDUAL WHO HAS DIRECT AND INDEPENDENT KNOWLEDGE OF THE INFORMATION ON  
20 WHICH THE ALLEGATIONS ARE BASED, WHO VOLUNTARILY PROVIDED THE INFORMATION TO  
21 THIS STATE BEFORE FILING AN ACTION BASED ON THAT INFORMATION AND WHOSE  
22 INFORMATION PROVIDED THE BASIS OR CATALYST FOR THE INVESTIGATION, HEARING,  
23 AUDIT OR REPORT THAT LED TO THE PUBLIC DISCLOSURE.

24 3. BASED ON ALLEGATIONS BY A PRESENT OR FORMER OFFICIAL OR EMPLOYEE OF  
25 THIS STATE DURING THE COURSE OF THE PERSON'S EMPLOYMENT IF THE ALLEGATIONS OF  
26 THE ACTION ARE BASED SUBSTANTIALLY ON ALLEGATIONS OF WRONGDOING OR MISCONDUCT  
27 THAT THE OFFICIAL OR EMPLOYEE HAD A DUTY OR OBLIGATION TO REPORT OR  
28 INVESTIGATE WITHIN THE SCOPE OF THE PERSON'S EMPLOYMENT OR OFFICE AND THE  
29 INFORMATION OR RECORDS THAT THE PERSON HAD ACCESS TO WERE THE RESULT OF THE  
30 PERSON'S EMPLOYMENT OR OFFICE.

31 4. BROUGHT BASED ON ALLEGATIONS OR TRANSACTIONS THAT ARE THE SUBJECT  
32 OF A CIVIL SUIT OR AN ADMINISTRATIVE CIVIL PENALTY PROCEEDING IN WHICH THIS  
33 STATE IS ALREADY A PARTY.

34 12-3065. Civil investigative demand

35 A. IF THE ATTORNEY GENERAL BELIEVES THAT A PERSON HAS INFORMATION OR  
36 IS IN POSSESSION, CUSTODY OR CONTROL OF ANY DOCUMENT OR OTHER OBJECT THAT IS  
37 RELEVANT TO AN INVESTIGATION OR THAT WOULD LEAD TO THE DISCOVERY OF RELEVANT  
38 INFORMATION IN AN INVESTIGATION OF A VIOLATION OF SECTION 12-3052, THE  
39 ATTORNEY GENERAL MAY ISSUE A CIVIL INVESTIGATIVE DEMAND. THE CIVIL  
40 INVESTIGATIVE DEMAND SHALL BE IN WRITING, SHALL BE SERVED ON THE PERSON,  
41 BEFORE BRINGING OR INTERVENING OR MAKING AN ELECTION IN AN ACTION UNDER  
42 SECTION 12-3061 OR OTHER FALSE CLAIMS LAW, AND SHALL REQUIRE THE PERSON TO  
43 PRODUCE ANY DOCUMENTS OR OBJECTS FOR INSPECTION AND COPYING. A CIVIL  
44 INVESTIGATIVE DEMAND IS AN ADMINISTRATIVE SUBPOENA.

1           B. THE CIVIL INVESTIGATIVE DEMAND SHALL:  
2           1. BE SERVED ON THE PERSON IN THE SAME MANNER THAT IS REQUIRED FOR  
3 SERVICE OF PROCESS IN CIVIL ACTIONS.  
4           2. DESCRIBE THE NATURE OF THE CONDUCT CONSTITUTING THE VIOLATION UNDER  
5 INVESTIGATION.  
6           3. DESCRIBE THE CLASS OR CLASSES OF ANY DOCUMENTS OR OBJECTS TO BE  
7 PRODUCED WITH SUFFICIENT DEFINITENESS TO PERMIT THEM TO BE FAIRLY IDENTIFIED.  
8           4. PRESCRIBE A REASONABLE DATE AND TIME THAT THE PERSON SHALL PRODUCE  
9 ANY DOCUMENT OR OBJECT.  
10          5. ADVISE THE PERSON THAT OBJECTIONS TO OR REASONS FOR NOT COMPLYING  
11 WITH THE DEMAND MAY BE FILED WITH THE ATTORNEY GENERAL ON OR BEFORE THAT DATE  
12 AND TIME.  
13          6. DESIGNATE A PERSON TO WHOM ANY DOCUMENT OR OBJECT SHALL BE  
14 PRODUCED.  
15          7. CONTAIN A COPY OF THIS SUBSECTION AND SUBSECTION C OF THIS SECTION.  
16          C. THE DATE FOR PRODUCTION OF ANY REQUESTED DOCUMENT OR OBJECT SHALL  
17 NOT BE LESS THAN THIRTY DAYS AFTER THE CIVIL INVESTIGATIVE DEMAND IS SERVED  
18 ON THE PERSON.  
19          D. A CIVIL INVESTIGATIVE DEMAND MAY INCLUDE AN EXPRESS DEMAND FOR ANY  
20 PRODUCT OF DISCOVERY. A PRODUCT OF DISCOVERY INCLUDES THE ORIGINAL OR  
21 DUPLICATE OF ANY DEPOSITION, INTERROGATORY, DOCUMENT, THING, EXAMINATION OR  
22 ADMISSION THAT IS OBTAINED BY ANY METHOD OF DISCOVERY IN ANY JUDICIAL OR  
23 ADMINISTRATIVE PROCEEDING OF AN ADVERSARIAL NATURE AND ANY DIGEST,  
24 COMPILATION AND INDEX OF ANY PRODUCT OF DISCOVERY. IF A CIVIL INVESTIGATIVE  
25 DEMAND IS AN EXPRESS DEMAND FOR ANY PRODUCT OF DISCOVERY, A COPY OF THE  
26 DEMAND SHALL BE SERVED ON THE PERSON FROM WHOM THE DISCOVERY WAS OBTAINED AND  
27 THE ATTORNEY GENERAL SHALL NOTIFY THE PERSON OF WHOM THE DEMAND IS ISSUED OF  
28 THE DATE THAT THE COPY WAS SERVED. A DEMAND FOR A PRODUCT OF DISCOVERY SHALL  
29 NOT BE RETURNED OR RETURNABLE UNTIL THIRTY DAYS AFTER A COPY OF THE DEMAND IS  
30 SERVED ON THE PERSON FROM WHOM THE DISCOVERY WAS OBTAINED. WITHIN THIRTY  
31 DAYS AFTER SERVICE OF THE DEMAND, THE PERSON FROM WHOM THE DISCOVERY WAS  
32 OBTAINED OR THE PERSON ON WHOM THE DEMAND WAS SERVED SHALL SERVE ON THE  
33 ATTORNEY GENERAL A COPY OF ANY PROTECTIVE ORDER THAT PREVENTS OR RESTRAINS  
34 DISCLOSURE OF THE PRODUCT OF DISCOVERY TO THE ATTORNEY GENERAL. THE ATTORNEY  
35 GENERAL MAY PETITION THE COURT THAT ISSUED THE PROTECTIVE ORDER TO MODIFY THE  
36 ORDER TO ALLOW COMPLIANCE WITH THE DEMAND. DISCLOSURE OF ANY PRODUCT OF  
37 DISCOVERY PURSUANT TO ANY EXPRESS DEMAND DOES NOT CONSTITUTE A WAIVER OF ANY  
38 RIGHT OR PRIVILEGE THAT THE PERSON MAKING THE DISCLOSURE MAY BE ENTITLED TO  
39 INVOKE TO RESIST DISCOVERY OF TRIAL PREPARATION MATERIALS.  
40          E. THE PRODUCTION OF DOCUMENTS AND OBJECTS IN RESPONSE TO A CIVIL  
41 INVESTIGATIVE DEMAND SERVED PURSUANT TO THIS SECTION SHALL BE MADE UNDER A  
42 SWORN AFFIDAVIT BY THE PERSON TO WHOM THE DEMAND IS DIRECTED, OR IN THE CASE  
43 OF A PERSON OTHER THAN A NATURAL PERSON, A PERSON WHO HAS KNOWLEDGE OF THE  
44 FACTS AND CIRCUMSTANCES RELATING TO THE PRODUCTION AND WHO IS AUTHORIZED TO  
45 ACT ON BEHALF OF THE PERSON. THE AFFIDAVIT SHALL STATE THAT ALL OF THE

1 DOCUMENTARY MATERIAL REQUIRED BY THE DEMAND AND IN THE POSSESSION, CUSTODY OR  
2 CONTROL OF THE PERSON TO WHOM THE DEMAND IS DIRECTED HAS BEEN PRODUCED AND  
3 MADE AVAILABLE. THE PERSON MAY SUBSTITUTE COPIES FOR ORIGINALS OF ALL OR ANY  
4 PART OF THE DOCUMENTS REQUESTED IF THERE IS A WRITTEN AGREEMENT BETWEEN THE  
5 PERSON SERVED WITH THE CIVIL INVESTIGATIVE DEMAND AND THE ATTORNEY GENERAL.

6 F. IF A PERSON OBJECTS TO OR OTHERWISE FAILS TO COMPLY WITH A CIVIL  
7 INVESTIGATIVE DEMAND SERVED UNDER SUBSECTION A OF THIS SECTION, THE ATTORNEY  
8 GENERAL MAY FILE AN ACTION IN SUPERIOR COURT FOR AN ORDER TO ENFORCE THE  
9 DEMAND. VENUE FOR THE ACTION TO ENFORCE THE DEMAND IS IN EITHER COUNTY OR  
10 THE COUNTY IN WHICH THE PERSON RESIDES, IS FOUND OR TRANSACTS BUSINESS.  
11 NOTICE OF A HEARING ON THE ACTION TO ENFORCE THE DEMAND AND A COPY OF THE  
12 ACTION SHALL BE SERVED ON THE PERSON IN THE MANNER PRESCRIBED IN THE ARIZONA  
13 RULES OF CIVIL PROCEDURE. IF THE COURT FINDS THAT THE DEMAND IS PROPER, THAT  
14 THERE IS REASONABLE CAUSE TO BELIEVE THAT THERE MAY HAVE BEEN A VIOLATION OF  
15 SECTION 12-3052 AND THAT THE INFORMATION SOUGHT OR DOCUMENT OR OBJECT  
16 DEMANDED IS RELEVANT TO THE VIOLATION, THE COURT, SUBJECT TO ANY  
17 MODIFICATIONS, SHALL ORDER THE PERSON TO COMPLY WITH THE DEMAND.

18 G. IF THE PERSON FAILS TO COMPLY WITH AN ORDER ENTERED PURSUANT TO  
19 SUBSECTION F OF THIS SECTION, THE COURT MAY DO ANY OF THE FOLLOWING:

20 1. FIND THE PERSON IN CONTEMPT OF COURT.

21 2. GRANT INJUNCTIVE RELIEF AGAINST THE PERSON TO WHOM THE DEMAND IS  
22 ISSUED TO RESTRAIN THE CONDUCT THAT IS THE SUBJECT OF THE INVESTIGATION.

23 3. GRANT ANY OTHER RELIEF.

24 H. ANY PERSON WHO HAS RECEIVED A CIVIL INVESTIGATIVE DEMAND OR, IN THE  
25 CASE OF AN EXPRESS DEMAND FOR ANY PRODUCT OF DISCOVERY, THE PERSON ON WHOM  
26 THE DISCOVERY WAS OBTAINED MAY FILE A PETITION FOR AN ORDER OF THE COURT TO  
27 MODIFY OR SET ASIDE A CIVIL INVESTIGATIVE DEMAND. THE PETITION MAY BE FILED  
28 IN SUPERIOR COURT IN EITHER COUNTY OR THE COUNTY IN WHICH THE PERSON RESIDES,  
29 IS FOUND OR TRANSACTS BUSINESS OR, IN THE CASE OF A PETITION TO MODIFY AN  
30 EXPRESS DEMAND FOR ANY PRODUCT OF DISCOVERY, THE PETITION SHALL BE FILED IN  
31 THE COURT IN WHICH THE PROCEEDING WAS PENDING WHEN THE PRODUCT OF DISCOVERY  
32 WAS OBTAINED. ANY PETITION UNDER THIS SUBSECTION MUST BE FILED WITHIN THIRTY  
33 DAYS AFTER THE DATE OF SERVICE OF THE CIVIL INVESTIGATIVE DEMAND OR BEFORE  
34 THE RETURN DATE SPECIFIED IN THE DEMAND, WHICHEVER DATE IS EARLIER, OR WITHIN  
35 A LONGER PERIOD AS MAY BE PRESCRIBED IN WRITING BY THE INVESTIGATOR  
36 IDENTIFIED IN THE DEMAND. THE PETITION SHALL SPECIFY EACH GROUND ON WHICH  
37 THE PETITIONER RELIES IN SEEKING RELIEF AND MAY BE BASED ON ANY FAILURE TO  
38 COMPLY WITH THIS SECTION OR ON ANY CONSTITUTIONAL OR OTHER LEGAL RIGHT OR  
39 PRIVILEGE OF THE PERSON. DURING THE PENDENCY OF THE PETITION, THE COURT MAY  
40 STAY THE RUNNING OF THE TIME ALLOWED FOR COMPLIANCE WITH THE DEMAND, IN WHOLE  
41 OR IN PART, EXCEPT THAT THE PERSON FILING THE PETITION SHALL COMPLY WITH ANY  
42 PORTION OF THE DEMAND NOT SOUGHT TO BE MODIFIED OR SET ASIDE.

43 I. ANY DOCUMENTS AND OBJECTS PRODUCED PURSUANT TO THIS SECTION MAY BE  
44 USED IN CONNECTION WITH ANY CIVIL ACTION BROUGHT UNDER SECTION 12-3061 AND

1 FOR ANY USE THAT IS CONSISTENT WITH THE LAW AND RULES OF THE ATTORNEY  
2 GENERAL, INCLUDING:

- 3 1. USE IN CONNECTION WITH INTERNAL ATTORNEY GENERAL MEMORANDA AND  
4 REPORTS.
- 5 2. COMMUNICATIONS BETWEEN THE ATTORNEY GENERAL AND A FEDERAL, STATE,  
6 OR LOCAL GOVERNMENTAL AGENCY OR A CONTRACTOR OF A FEDERAL, STATE OR LOCAL  
7 GOVERNMENTAL AGENCY, UNDERTAKEN IN FURTHERANCE OF AN ATTORNEY GENERAL  
8 INVESTIGATION OR PROSECUTION OF A CASE.
- 9 3. INTERVIEWS OF ANY QUI TAM PLAINTIFF OR OTHER WITNESS.
- 10 4. ORAL EXAMINATIONS.
- 11 5. DEPOSITIONS.
- 12 6. PREPARATION FOR AND RESPONSE TO CIVIL DISCOVERY REQUESTS.
- 13 7. INTRODUCTION INTO THE RECORD OF A CASE OR PROCEEDING APPLICATIONS,  
14 MOTIONS, MEMORANDA AND BRIEFS SUBMITTED TO A COURT OR OTHER TRIBUNAL.
- 15 8. COMMUNICATIONS WITH GOVERNMENT INVESTIGATORS, AUDITORS, CONSULTANTS  
16 AND EXPERTS AND THE COUNSEL OF OTHER PARTIES, ARBITRATORS AND MEDIATORS  
17 CONCERNING AN INVESTIGATION, CASE OR PROCEEDING.

18 J. THE ATTORNEY GENERAL MAY SHARE ANY DOCUMENTS AND OBJECTS OBTAINED  
19 UNDER THIS SECTION WITH ANY QUI TAM PLAINTIFF IF THE ATTORNEY GENERAL  
20 DETERMINES IT IS NECESSARY AS PART OF ANY FALSE CLAIMS INVESTIGATION. BEFORE  
21 USING OR SHARING DOCUMENTS AND OBJECTS OBTAINED UNDER THIS SECTION, THE  
22 ATTORNEY GENERAL MAY REQUIRE THAT THE PERSON AGREE TO AN ORDER OF THE COURT  
23 PROTECTING THE DOCUMENTS OR OBJECTS, OR ANY INFORMATION CONTAINED IN THE  
24 DOCUMENTS OR OBJECTS, FROM DISCLOSURE BY THAT PERSON. IF THE PRODUCING PARTY  
25 DESIGNATES DOCUMENTS OR OBJECTS AS TRADE SECRETS OR OTHER CONFIDENTIAL  
26 RESEARCH, DEVELOPMENT OR COMMERCIAL INFORMATION, THE ATTORNEY GENERAL SHALL  
27 EITHER:

- 28 1. REQUIRE THAT THE PERSON WITH WHOM DOCUMENTS OR OBJECTS ARE SHARED  
29 BE PROHIBITED FROM DISCLOSING THE DOCUMENTS OR OBJECTS, OR ANY INFORMATION  
30 CONTAINED IN THE DOCUMENTS OR OBJECTS.
- 31 2. PETITION THE COURT FOR AN ORDER DIRECTING THE PRODUCING PARTY TO  
32 EITHER APPEAR AND SUPPORT THE DESIGNATION OR WITHDRAW THE DESIGNATION.

33 K. THE ATTORNEY GENERAL MAY DESIGNATE AN EMPLOYEE OF THE ATTORNEY  
34 GENERAL'S OFFICE AS THE CUSTODIAN OF DOCUMENTS AND OBJECTS.

35 L. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, NO DOCUMENTS OR  
36 OBJECTS, OR COPIES OF ANY DOCUMENTS OR OBJECTS, THAT ARE IN THE POSSESSION OF  
37 THE CUSTODIAN DESIGNATED BY SUBSECTION K OF THIS SECTION SHALL BE AVAILABLE  
38 FOR EXAMINATION BY ANY PERSON OTHER THAN AN EMPLOYEE OF THE ATTORNEY  
39 GENERAL'S OFFICE. THIS SUBSECTION SHALL NOT APPLY:

- 40 1. IF CONSENT IS GIVEN BY THE PERSON WHO PRODUCED THE DOCUMENTS OR  
41 OBJECTS, OR IN THE CASE OF ANY PRODUCT OF DISCOVERY PRODUCED PURSUANT TO AN  
42 EXPRESS DEMAND, CONSENT IS GIVEN BY THE PERSON FROM WHOM THE DISCOVERY WAS  
43 OBTAINED.
- 44 2. TO DISCLOSURE TO ANY OTHER FEDERAL OR STATE AGENCY FOR USE BY THAT  
45 AGENCY IN FURTHERANCE OF ITS STATUTORY RESPONSIBILITIES IF AN APPLICATION IS

1 MADE BY THE ATTORNEY GENERAL TO THE COURT SHOWING A SUBSTANTIAL NEED FOR THE  
2 USE OF THE DOCUMENTS OR OBJECTS BY THE AGENCY IN FURTHERANCE OF ITS STATUTORY  
3 RESPONSIBILITIES.

4 M. DOCUMENTS OR OBJECTS SHALL BE AVAILABLE FOR EXAMINATION BY THE  
5 PERSON WHO PRODUCED THE DOCUMENTS OR OBJECTS OR BY A REPRESENTATIVE OF THE  
6 PERSON WHO IS AUTHORIZED BY THE PERSON TO EXAMINE THE DOCUMENTS OR OBJECTS,  
7 WHILE IN THE POSSESSION OF THE CUSTODIAN DESIGNATED PURSUANT TO SUBSECTION K  
8 OF THIS SECTION AND UNDER REASONABLE TERMS AND CONDITIONS PRESCRIBED BY THE  
9 ATTORNEY GENERAL.

10 N. IF ANY DOCUMENTS OR OBJECTS ARE PRODUCED BY ANY PERSON IN THE  
11 COURSE OF ANY INVESTIGATION PURSUANT TO A CIVIL INVESTIGATIVE DEMAND PURSUANT  
12 TO THIS SECTION AND ANY CASE OR PROCEEDING BEFORE ANY COURT ARISING OUT OF  
13 THE INVESTIGATION, OR ANY PROCEEDING BEFORE ANY AGENCY INVOLVING THE  
14 DOCUMENTS OR OBJECTS, HAS BEEN COMPLETED, OR NO CASE OR PROCEEDING IN WHICH  
15 THE DOCUMENTS OR OBJECTS MAY BE USED HAS BEEN COMMENCED WITHIN A REASONABLE  
16 TIME AFTER COMPLETION OF THE INVESTIGATION, THE CUSTODIAN, ON WRITTEN REQUEST  
17 OF THE PERSON WHO PRODUCED THE DOCUMENTS OR OBJECTS, SHALL RETURN TO THE  
18 PERSON ANY DOCUMENTS OR OBJECTS THAT HAVE NOT PASSED INTO THE CONTROL OF ANY  
19 COURT OR AGENCY.

20 O. THE ARIZONA RULES OF CIVIL PROCEDURE APPLY TO THIS SECTION TO THE  
21 EXTENT THAT THE RULES ARE NOT INCONSISTENT WITH THE PROVISIONS OF THIS  
22 SECTION.

23 12-3066. Statute of limitations; burden of proof; venue;  
24 procedure

25 A. A CIVIL ACTION PURSUANT TO SECTION 12-3061 SHALL NOT BE COMMENCED  
26 MORE THAN SIX YEARS AFTER THE DATE OF ANY VIOLATION OF SECTION 12-3052 WAS  
27 COMMITTED OR MORE THAN THREE YEARS AFTER THE DATE WHEN FACTS MATERIAL TO THE  
28 RIGHT OF ACTION ARE KNOWN OR REASONABLY SHOULD HAVE BEEN KNOWN BY THE  
29 OFFICIAL CHARGED WITH RESPONSIBILITY TO ACT IN THE CIRCUMSTANCES, BUT IN NO  
30 EVENT MORE THAN TEN YEARS AFTER THE DATE THAT THE VIOLATION IS COMMITTED,  
31 WHICHEVER OCCURS LATER.

32 B. IF THE ATTORNEY GENERAL ELECTS TO INTERVENE AND PROCEED WITH AN  
33 ACTION BROUGHT UNDER SECTION 12-3061, THE STATE MAY FILE ITS OWN COMPLAINT OR  
34 AMEND THE COMPLAINT OF A QUI TAM PLAINTIFF TO CLARIFY OR ADD DETAIL TO THE  
35 CLAIMS WITH RESPECT TO WHICH THE STATE IS INTERVENING AND TO ADD ANY  
36 ADDITIONAL CLAIMS FOR WHICH THE STATE CONTENDS IT IS ENTITLED TO RELIEF. FOR  
37 THE PURPOSE OF SUBSECTION A OF THIS SECTION, ANY STATE PLEADING SHALL RELATE  
38 BACK TO THE FILING DATE OF THE COMPLAINT OF THE PERSON WHO ORIGINALLY BROUGHT  
39 THE ACTION, TO THE EXTENT THAT THE CLAIM OF THE STATE ARISES OUT OF THE  
40 CONDUCT, TRANSACTIONS OR OCCURRENCES SET FORTH, OR ATTEMPTED TO BE SET FORTH,  
41 IN THE PRIOR COMPLAINT OF THAT PERSON.

42 C. IN ANY ACTION BROUGHT UNDER SECTION 12-3061, THE ATTORNEY GENERAL  
43 OR THE QUI TAM PLAINTIFF IS REQUIRED TO PROVE ALL ESSENTIAL ELEMENTS OF THE  
44 CAUSE OF ACTION, INCLUDING DAMAGES, BY A PREPONDERANCE OF THE EVIDENCE.

1 D. NOTWITHSTANDING ANY OTHER LAW, A FINAL JUDGMENT RENDERED IN FAVOR  
2 OF THE STATE IN A CRIMINAL PROCEEDING CHARGING FALSE STATEMENTS OR FRAUD,  
3 WHETHER ON A VERDICT AFTER TRIAL OR ON A PLEA OF GUILTY OR NO CONTEST, ESTOPS  
4 THE DEFENDANT FROM DENYING THE ESSENTIAL ELEMENTS OF THE OFFENSE IN ANY  
5 ACTION THAT INVOLVES THE SAME TRANSACTION AS IN THE CRIMINAL PROCEEDING AND  
6 THAT IS BROUGHT UNDER SECTION 12-3061.

7 E. VENUE FOR ANY ACTION BROUGHT PURSUANT TO SECTION 12-3061 IS IN  
8 EITHER COUNTY OR IN ANY COUNTY IN WHICH A CLAIM ORIGINATED, OR IN WHICH ANY  
9 STATEMENT OR RECORD WAS MADE, OR ACTS WERE DONE OR SERVICES OR PROPERTY WERE  
10 RENDERED IN CONNECTION WITH ANY ACT CONSTITUTING PART OF THE VIOLATION OF  
11 THIS CHAPTER.

12 F. IF THE UNITED STATES OR ANY STATE OR LOCAL GOVERNMENT IS NAMED AS A  
13 COPLAINTIFF IN AN ACTION BROUGHT UNDER SECTION 12-3061, A SEAL ON THE ACTION  
14 ORDERED BY THE COURT UNDER SECTION 12-3061 DOES NOT PRECLUDE THIS STATE OR  
15 THE PERSON BRINGING THE ACTION FROM SERVING THE COMPLAINT, ANY OTHER  
16 PLEADINGS OR THE WRITTEN DISCLOSURE OF SUBSTANTIALLY ALL MATERIAL EVIDENCE  
17 AND INFORMATION POSSESSED BY THE PERSON BRINGING THE ACTION ON THE LAW  
18 ENFORCEMENT AUTHORITIES THAT ARE AUTHORIZED UNDER THE LAW OF THE COPLAINTIFF  
19 GOVERNMENT TO INVESTIGATE AND PROSECUTE THE ACTIONS ON BEHALF OF THAT  
20 COPLAINTIFF GOVERNMENT, EXCEPT THAT THE SEAL APPLIES TO THE LAW ENFORCEMENT  
21 AUTHORITIES THAT ARE SERVED TO THE SAME EXTENT AS THE SEAL APPLIES TO OTHER  
22 PARTIES IN THE ACTION.

23 12-3067. Remedies under other laws; legislative construction

24 A. THE PROVISIONS OF THIS ARTICLE ARE NOT EXCLUSIVE AND THE REMEDIES  
25 PROVIDED FOR IN THIS CHAPTER ARE IN ADDITION TO ANY OTHER REMEDIES PROVIDED  
26 FOR UNDER ANY OTHER LAW INCLUDING COMMON LAW. A CRIMINAL OR ADMINISTRATIVE  
27 ACTION DOES NOT HAVE TO BE BROUGHT AGAINST ANY PERSON AS A CONDITION FOR  
28 ESTABLISHING CIVIL LIABILITY PURSUANT TO THIS CHAPTER.

29 B. THIS ARTICLE SHALL BE INTERPRETED AND CONSTRUED SO AS TO BE  
30 CONSISTENT WITH THE FEDERAL FALSE CLAIMS ACT, 31 UNITED STATES CODE SECTION  
31 3729, AND ANY AMENDMENTS TO THAT ACT.

32 12-3068. Reporting

33 ON OR BEFORE FEBRUARY 1 OF EACH YEAR, THE ATTORNEY GENERAL SHALL SUBMIT  
34 TO THE JOINT LEGISLATIVE BUDGET COMMITTEE, THE SPEAKER OF THE HOUSE OF  
35 REPRESENTATIVES AND THE PRESIDENT OF THE SENATE A REPORT ON THE NUMBER OF  
36 CASES UNDER THIS CHAPTER PENDING IN THIS STATE AND THE NUMBER OF CASES  
37 PENDING IN OTHER JURISDICTIONS INVOLVING THIS STATE, THE NUMBER OF CASES  
38 UNDER THIS CHAPTER THAT WERE SETTLED, THE NUMBER OF CASES IN WHICH JUDGMENT  
39 WAS ENTERED AND THE AMOUNT OF PROCEEDS PAID TO QUI TAM PLAINTIFFS DURING THE  
40 PREVIOUS CALENDAR YEAR. THE REPORT OF THE TERMS AND DISBURSEMENTS IN ANY  
41 SETTLEMENT AGREEMENT OR FINAL ORDER OR JUDGMENT IN A CASE FILED UNDER THIS  
42 CHAPTER SHALL INCLUDE THE PERCENTAGE OF THE PROCEEDS AND THE AMOUNT PAID TO  
43 ANY QUI TAM PLAINTIFF UNDER SECTION 12-3061.

1           12-3069. Rules  
2           THE ATTORNEY GENERAL MAY ADOPT RULES NECESSARY TO IMPLEMENT THIS  
3 CHAPTER.

4                                   ARTICLE 3. EMPLOYER INTERFERENCE

5           12-3071. Employer interference with employee disclosures:  
6                                   liability: civil action

7           A. AN EMPLOYER SHALL NOT DISCHARGE, DEMOTE, SUSPEND, THREATEN, HARASS,  
8 DENY PROMOTION TO OR IN ANY OTHER MANNER DISCRIMINATE AGAINST AN EMPLOYEE,  
9 CONTRACTOR OR AGENT IN THE TERMS AND CONDITIONS OF EMPLOYMENT BECAUSE OF  
10 LAWFUL ACTS DONE BY THE EMPLOYEE, CONTRACTOR OR AGENT ON BEHALF OF THE  
11 EMPLOYEE OR OTHERS IN DISCLOSING INFORMATION TO A GOVERNMENT OR LAW  
12 ENFORCEMENT AGENCY OR IN FURTHERING A FALSE CLAIMS ACTION, INCLUDING  
13 INVESTIGATION FOR, INITIATION OF, TESTIMONY FOR OR ASSISTANCE IN AN ACTION  
14 FILED OR TO BE FILED PURSUANT TO SECTION 12-3061 OR 12-3062.

15           B. AN EMPLOYER WHO VIOLATES SUBSECTION A OF THIS SECTION IS LIABLE FOR  
16 ALL RELIEF NECESSARY TO MAKE THE EMPLOYEE, CONTRACTOR OR AGENT WHOLE,  
17 INCLUDING REINSTATEMENT WITH THE SAME SENIORITY STATUS THAT THE EMPLOYEE  
18 WOULD HAVE HAD BUT FOR THE DISCRIMINATION, TWO TIMES THE AMOUNT OF BACK PAY,  
19 INTEREST ON THE BACK PAY AND COMPENSATION FOR ANY SPECIAL DAMAGE SUSTAINED AS  
20 A RESULT OF THE DISCRIMINATION. THE DEFENDANT SHALL BE REQUIRED TO PAY  
21 LITIGATION COSTS AND REASONABLE ATTORNEY FEES. AN EMPLOYEE MAY BRING AN  
22 ACTION IN SUPERIOR COURT FOR THE RELIEF PROVIDED IN THIS SECTION.

23           Sec. 2. Application

24           This act applies to any violation of section 12-3052, Arizona Revised  
25 Statutes, as added by this act, that occurred before the effective date of  
26 this act if the limitation period set forth in section 12-3066, Arizona  
27 Revised Statutes, as added by this act, has not lapsed.