



TO: The Honorable Members of the PA House Human Services Committee

FROM: Sam Denisco, Vice President, Government Affairs

DATE: June 8, 2020

RE: Oppose HB 2352

On behalf of the PA Chamber, the largest, broad-based business advocacy group in the Commonwealth, I respectfully ask you to oppose HB 2352 which seeks to add a new section to the Human Services Code entitled Commonwealth Fraud Prevention Act. We recognize and support the notion that the General Assembly and Governor must protect taxpayer dollars from fraud, waste, and abuse. But, policymakers also have a responsibility to protect Pennsylvania businesses from abusive and costly litigation, particularly in troubled economic times.

A fair and equitable system of civil justice is essential to the proper functioning of a free market economy. Employers look to predictability and certainty in a litigation environment. Any unbalance can cause serious dislocations with significant economic implications such as reduced investment, increased costs, job loss and improper shift of costs to taxpayers.

HB 2352 dramatically tips the balance away from the employer by imposing highly punitive fines and penalties with a burden of proof that is not commensurate with other states' fraud statutes. Additionally, the bill gives the Office of Attorney General the tools to exacerbate this unfairness by greatly increasing its investigative authority even before a claim is even filed.

For the reasons stated above, the PA Chamber requests a NO vote in committee.