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State House Backs Bill to Fight Taxpayer Fraud

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In a decisive move to protect public funds, the Pennsylvania House passed legislation establishing a state-level false claims framework modeled on the federal False Claims Act to recover millions in taxpayer dollars that often go unclaimed or uncollected.

House Bill 1697 adopts Pennsylvania's version of the federal False Claims Act, a law that has recovered billions in federal funds for the U.S. Government and incentivizes whistleblower enforcement. Under the bill, the Attorney General is granted authority under a new Article XIV–E in the Human Services Code to pursue civil penalties, damages, and

investigative demands against false claims made to the Commonwealth. The bill includes qui tam provisions allowing whistleblowers to file lawsuits on behalf of the Commonwealth and receive 25% to 30% of any recovered funds, and includes anti-retaliation protections.

Representative Frank Burns (D—Johnstown), the bill’s lead sponsor, emphasized the need to recover misused taxpayer funds, not just prosecute offenders, saying, “We need to make sure every last nickel pilfered ... is recouped.” “It’s not enough to send these bad actors to jail while leaving millions on the table,” Burns said. Judiciary Committee Chairman Representative Tim Briggs (D—King of Prussia) called the legislation “commonsense” and praised its focus on putting taxpayers first.

Despite bipartisan support, some Republicans criticized the swift timeline: introduced July 2, reported out of the Judiciary Committee July 7, and passed second reading the next day. Representative Charity Grimm—Krupa (R—Smithfield) unsuccessfully moved to postpone the vote, arguing legislators needed more time for debate.

Representative Joe Hamm (R—Montoursville) voiced frustration at Democratic tabling of GOP amendments: “We should allow debate in this House, the people’s house,” he said on the floor. The final House vote on July 9 was 136—67, with a notable number of Republicans supporting the bill.

Representative Bryan Cutler (R—Quarryville) cited Medicaid fraud encountered in his radiology work; a federal investigation recently identified a \$1.1 million Medicaid kickback scheme in Pennsylvania, underscoring the need for enforcement tools. Representative Seth Grove (R—York) argued that without a state false claims law, Pennsylvania forfeited a 10% share of federal recovery funds over the past decade, millions of dollars that could have supported public services.

Minority Leader Representative Jesse Topper (R—Bedford), while voting against the legislation, affirmed support for its goals and left open the possibility of further amendments in the Senate. The proposal now advances to the Senate, where supporters say it will finally give Pennsylvania the tools to combat fraud statewide and reclaim taxpayer dollars effectively.

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