



**THE CITY OF NEW YORK
LAW DEPARTMENT**

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March 29, 2006

MICHAEL A. CARDOZO
Corporation Counsel

Hon. Michael R. Bloomberg
Mayor
City Hall
New York, NY 10007

Hon. Christine Quinn
Speaker of the City Council
City Hall
New York, NY 10007

Re: New York City False Claims Act

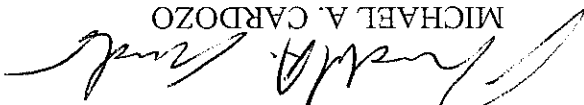
Dear Mayor Bloomberg and Speaker Quinn:

Local Law No. 53 of 2005, the "New York City False Claims Act" (the "Act"), was signed into law on May 19, 2005 and became effective on August 17, 2005. Administrative Code § 7-808, as added by Local Law No. 53, requires that the Law Department submit an annual report on the implementation of the Act, and asks for information in seven categories of information, which are provided below. Attached is a copy of the Act.

Pursuant to Administrative Code § 7-804(b)(2), the Law Department and the Department of Investigation are charged with promulgating rules regarding a protocol for processing the proposed civil complaints that would be submitted pursuant the Act. Attorneys from this office and the Department of Investigation collaborated on rules which were published in the *City Record* on July 6, 2005. A public hearing on the proposed rules was held on August 5, 2005. On August 8, 2005 we published in the *City Record* a Notice of Adoption of the rules, which became effective on that date. The Act became effective the following week, on August 17, 2005. These rules are codified as Chapter 3 ("False Claims") of Title 46 of the official Rules of the City of New York, and are attached to this report for your reference.

Although not required by law, we have posted the text of the Act and the aforementioned Rules on the websites of both the Law Department and the Department of Investigation in order to make it more accessible to the public. These agency websites are available through the City's website (www.nyc.gov). Moreover, the City's "311" hotline

cc: Hon. Rose Gill Hearn

Sincerely yours,

MICHAEL A. CARDOZO

There is no other information about the False Claims Act to report on at this time.

As to "[t]he number of proposed civil complaints under review by the City and pending a determination by the Corporation Counsel as to the commencement of a civil enforcement action (§ 7-808(5)), there is one such case. Section 7-808(6) asks for "[t]he number of proposed civil complaints for which the Corporation Counsel determined not to commence a civil enforcement action and a statistical summary of the reasons for such determinations." The one submission is currently under review, and thus no determination has been made to date.

For each of the following categories, there were no submissions: the number of proposed civil complaints submitted pursuant to § 7-804 (§ 7-808(1)); the number of proposed civil complaints resulting in the Corporation Counsel commencing a civil enforcement action based upon such submission (§ 7-808(2)); the number of proposed civil complaints resulting in the Corporation Counsel designating the person, or such person's attorney, to act as a Special Assistant Corporation Counsel for purposes of commencing a civil enforcement action (§ 7-808(3)). Subdivision (4) of § 7-808 ("[t]he disposition of each civil enforcement action filed, including (i) whether the case was based on a proposed civil complaint; and (ii) the monetary value of any award or settlement in each action commenced by the person who submitted a proposed civil complaint to the City; and (iii) the monetary value of any award or settlement in each action commenced by the City") is therefore not applicable.

Section 7-808 of the Act requires that we provide certain statistics pertaining to the Act. Set forth below is information that reflects our experience in calendar year 2005.

Supervisory staff have been briefed about the Act for training purposes and can direct members of the public to these websites for information about the Act.