

## THE PURPOSE OF THE ACT

The Illinois Whistleblower Reward and Protection Act, 740 ILCS 175/1, was enacted in 1991 to expose the fraudulent actions of state employees, politicians, and contractors. The Act was amended in 1995 to enable units of government to make the Act's provisions applicable to local public bodies.

The Act encourages citizens to monitor their government and report the fraudulent behavior of elected officials, employees or contractors doing business with a taxing body and allow units of government to recover triple damages against wrongdoers.

## HISTORY

The Illinois Whistleblower Reward and Protection Act is directly connected to the Federal False Claims Act of 1863.

The False Claims Act was enacted by President Abraham Lincoln's administration because of crooked Civil War munitions suppliers who put sawdust in the gunpowder and then sold it to the Union Army.

In 1986, President Ronald Reagan signed the False Claims Reform Act, and in 1991 State Treasurer Pat Quinn moved a similar law through the Illinois General Assembly. Most recently, in 1995, the state act was amended to allow any local taxing body to pass a resolution that would make all provisions of the Illinois Whistleblower statute apply to their governments.

## HELPFUL PHONE NUMBERS

For more information:

Illinois Treasurer  
State of Illinois Center  
Suite 15-600  
100 West Randolph  
Chicago, IL 60601  
(312) 814-3571

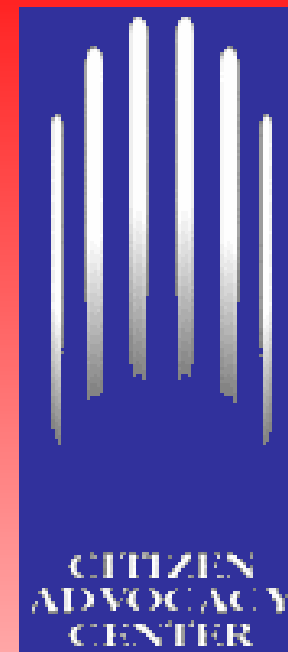
For case review:

Illinois State Police  
Division of Internal Investigation  
500 Armory  
P.O. Box 19461  
Springfield, IL 62794-9461  
(217) 785-4379 or (312) 814-3826

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# *A Citizen's Guide to the Illinois Whistleblower Reward and Protection Act*

## WHO DOES THE LAW APPLY TO?

The law applies to “Employers” and “Employees.” An employer under HB0742 includes an individual, sole proprietorship, partnership, firm, corporation, association, and any other entity that has one or more employees in this State. Subject to whistle-blowing are: political subdivisions of the State; local government units; school districts and any combination of school governing bodies; community colleges, State colleges, State universities, or State agencies that mainly provide educational services; and any kind of subdivision or division of the employers listed before. An employee under HB0742 is any individual who is employed on a full-time, part-time, or contractual basis by an employer as defined above.

## WHY REPORT FRAUDULENT BEHAVIOR?

The Whistleblower Reward and Protection Act allows the taxing body to benefit because guilty parties are required to pay triple the damages incurred as a result of their fraudulent actions. This damage award will cover the whistleblower’s award, pay for damages suffered as a result of the fraud, and also provide extra revenue for the particular taxing body.

The Act also encourages honest government by providing an incentive to report fraudulent actions. Whistleblowers receive a portion of the damages recovered from the fraudulent party. If the Attorney General files the suit, the whistleblower will receive 15 to 25 percent of the damage award. If the whistleblower independently files a civil case, he/she is eligible for 25 to 30 percent of the damage award, all court costs, and legal fees.

## WHAT HAPPENS AFTER REPORTING THE FRAUDULENT BEHAVIOR?

After you report the fraud, the Attorney General determines if there are grounds for a lawsuit. If so, the Attorney General will take the case on behalf of the whistleblower.

If the Attorney General refuses to become involved, the citizen may bring a civil action in any circuit court on behalf of him/herself and the State.

### PROTECTION AGAINST FRIVOLOUS CLAIMS

To protect taxing bodies from having to defend against frivolous or false lawsuits, the Act sets forth strict and expensive punishments for citizens who make false claims.

If the State does not proceed with the action and the whistleblower brings his/her own action, the court may award the defendant’s attorney’s fees and expenses if the defendant prevails and the court finds that the whistleblower’s claim was “clearly frivolous, clearly vexatious, or brought primarily for purpose of harassment.”

### WHAT ARE THE PENALTIES FOR FALSE CLAIMS?

Any individual who makes a false claim as defined by HB0742 is subject to the following penalties: The individual or group is liable to the State for a civil penalty of not less than \$5,500 and not more than \$11,000, plus three times the amount of damages which the State sustains because of the act of that person. A person violating this subsection (a) shall also be liable to the State for the costs of a civil action brought to recover any such penalty or damages.

## WON'T REPORTING MAKE MY EMPLOYER ANGRY?

Employers who either ignore or encourage fraudulent behavior will likely become angry and possibly attempt to discourage whistleblowers from making reports.

Therefore, to protect whistleblowers from retaliation from their employers, the Act sets forth specific penalties for any employer who discharges, demotes, suspends, threatens, harasses, or discriminates in any way against an employee who acts legally in furtherance of the Whistleblowers Reward and Protection Act.

Relief provided by the Act includes reinstatement with prior status, two times the amount of back pay owed, interest on back pay, and compensation for any special damages

### WHAT ARE WHISTLEBLOWER REWARDS?

A Whistle Blower may collect a claim: a request or demand for money damages or injunctive relief on behalf of an employee who has suffered an adverse employment action. An employer may not retaliate against an employee who discloses information in a court, an administrative hearing, or before a legislative commission or committee, or in any other proceeding, where the employee has reasonable cause to believe that the information discloses a violation of a State or federal law, rule, or regulation.

### HOW TO REPORT FRAUDULENT BEHAVIOR

If you have knowledge of fraudulent behavior or mismanagement, contact the Illinois State Police at (217) 782-7263 or (312) 814-2834 or the Attorney General at (312) 814-3000, who will then conduct an investigation.