



# **COMPLIANCE PLAN**

**March 2025**

### **The REED Next Commitment to Compliance**

**REED Next** is dedicated and committed to meeting the highest ethical standards and compliance with all applicable laws in all activities regarding the delivery of support and services to program participants, their families and guardians, and all applicable stakeholders. As is detailed within this Compliance Plan, it is the duty of all of our employees, contractors, vendors and agents to comply with the policies as applicable to their individual areas of employment or contracts and program service requirements. This Compliance Plan also advises all of our employees, contractors, vendors and agents of the procedures to be used in reporting non-compliance with federal and state laws and **REED Next** policies.

**REED Next** believes that our leadership must lead by example, maintaining high ethical standards and ensuring the organization's activities align with federal and state requirements.

**REED Next** expects that every employee, board member, vendor or contractor will follow all laws and regulations in performing their duties, and is committed to ensuring and promoting:

- Ethical and Legal Practices;
- Honest, Transparent & Responsible Employee Conduct;
- Delivery of High Quality, Person-Centered & Effective Supports & Services; and
- Appropriate Investigation and Reporting (as applicable) of Fraud, Waste & Abuse

#### **a. Benefits of the REED Next Compliance Program**

The benefits of our Compliance Program include, but are not limited to, the following:

1. It demonstrates to the employees and community our strong commitment to honesty, responsibility and appropriate ethical conduct;
2. It formalizes a system to encourage employees to report potential problems that may be detrimental to the individuals we support and/or the organization as a whole;
3. It creates procedures that allow for a thorough investigation of alleged misconduct; and
4. It minimizes – through early detection and reporting - the risk of civil damages or penalties, and criminal sanctions.

#### **REED Next Staff Reporting Reminders**

The **REED Next Staff Reporting Reminders** (attached as Appendix A) is given to all new hires and included in new hire training. Whenever an employee has a question about an appropriate response in a given situation, they should consult the **REED Next** Compliance Officer or their immediate supervisor.

#### **REED Next Compliance Policies**

1. **REED Next** will comply with all applicable state and federal legal requirements including but not limited to all NJ DDD regulations, all Medicaid billing requirements and regulations at both federal and state levels, and all other relevant regulations,

including HIPAA and other privacy protections, as well as fraud prevention and reporting requirements.

2. Every **REED Next** employee is responsible for doing their job in a manner that is ethical and complies with the laws and regulations that govern our work. Similarly, every **REED Next** board member is responsible for complying with their fiduciary duties and responsibilities to the organization and disclosing/avoiding (as necessary) any potential conflicts of interest.
3. Every **REED Next** employee is responsible for seeking supervisory assistance if they have doubts or are unclear about what the right action is to stay compliant. If the employee does not believe their supervisor is correct in their advice, they can always go to the Compliance Officer with the question or concern. **REED Next** encourages its employees to seek out additional clarification from the Compliance Officer whenever desired, and strictly prohibits any retaliatory behavior by supervisors or other staff when employees – in good faith – seek additional clarification from the Compliance Officer.
4. **REED Next** only bills for services actually rendered and shall seek reimbursement for only the amount to which the organization is entitled. All services must be accurately and completely coded and submitted to the appropriate payer in accordance with applicable regulations, laws, contracts and all internal policies and procedures. **REED Next** does not tolerate billing practices that misrepresent the services actually rendered.
5. **REED Next** only submits claims for services that were rendered as indicated, were rendered by a person with the credentials required by applicable regulations, and for which documentation is present to substantiate each claim.
6. Documentation requirements are critical to ensure compliance with all state and federal laws. Under no circumstances are **REED Next** staff permitted to falsify documentation for the purposes of billing. The following specific policies are also in place:
  - a. Staff are not to use white-out in paper records, or erase any official documentation. All edits will be clearly marked, and initialed by the employee making the edit.
  - b. Notes for services rendered should be entered on the same day as the service was rendered except in extenuating circumstances, in which case service delivery and note accuracy will be verified by management prior to billing.
7. All **REED Next** staff and board members are expected to review this Compliance Plan, including the information that outlines relevant statutes and regulations, and the accompanying appendices, and acknowledge such review on at least an annual basis.
8. All **REED Next** staff are responsible for maintaining confidentiality of all consumer and employee protected health information (PHI). Additionally, staff may only access confidential information for authorized purposes directly related to their scope of work.

All employees are responsible for reviewing, familiarizing themselves with the guidelines outlined in this Compliance Plan, and ensuring they are in compliance with them at all times. All employees who may have access to any PHI are trained at least annually in the legal requirements related to confidentiality.

9. **REED Next** will maintain accurate and complete records related to service delivery, billing, and funding sources, in compliance with NJ DDD and Medicaid regulations. All records will be retained for the appropriate period, consistent with federal, state, and organizational policies.
10. Cybersecurity is considered of paramount importance by **REED Next**, as it is necessary to safeguards sensitive information, protect individuals' privacy, and prevent malicious attacks that can have far-reaching consequences. **REED Next** recognizes that cybersecurity is not solely the responsibility of IT professionals but a collective effort that involves every individual in our organization. By staying vigilant and informed about potential threats, we **all** play a crucial role in maintaining a secure environment. Avoiding phishing attacks is a key aspect of cybersecurity awareness, as these scams target individuals through deceptive emails and messages to steal personal information or gain unauthorized access to systems. To mitigate phishing risks, all employees should exercise caution when interacting with emails, verify the authenticity of senders, avoid clicking on suspicious links or attachments, and report any suspicious activity promptly.
11. As an organization that receives funding from the New Jersey Division of Developmental Disabilities (DDD) and Medicaid, **REED Next** is held to high ethical standards and must uphold the trust placed in us by these governmental entities. Conflicts of interest can arise when an individual's personal interests interfere with their ability to make impartial decisions in the best interests of the organization. All **REED Next** staff and board members must disclose any potential conflicts of interest promptly to ensure transparency and maintain the organization's integrity.
12. All **REED Next** staff and board members must also be very cautious about accepting gifts, favors, or entertainment from vendors, contractors, or other entities that may create a sense of obligation or bias. **REED Next** prohibits the acceptance of gifts that are meant to influence decision-making.
13. **REED Next** staff and board members are expected to refrain from engaging in political campaigns or activities in any way that could compromise **REED Next** or jeopardize its funding sources. It is essential to maintain a professional and unbiased approach in all dealings with government officials to uphold the organization's reputation and ethical standards. When interacting with government officials, all **REED Next** staff and board members must adhere to all applicable laws and regulations, including those related to lobbying, procurement, and conflicts of interest. Any communication or engagement with government officials must be conducted transparently and ethically, with a clear understanding of the boundaries and responsibilities involved.

**REED Next Compliance Officer**

The **REED Next** leadership has tasked the internal Compliance Officer as responsible for overseeing the development and implementation of the Compliance Program and ensuring the appropriate handling of instances of suspected or known illegal or unethical conduct.

**The REED Next Compliance Officer is:**

Name	Email Address	Phone Number
Francesca Saraniero	<a href="mailto:compliance@reednext.com">compliance@reednext.com</a>	201-644-0760 x 360

The **REED Next** Compliance Officer is responsible for overseeing and monitoring the implementation and ongoing effectiveness of the Compliance Plan, including ensuring appropriate investigations take place; updating the Compliance Plan as needed; establishing and overseeing periodic auditing; developing and coordinating organizational training related to the Compliance Plan; ensuring that the List of Excluded Individuals and Entities have been checked with respect to all employees, contractors and board members; and reporting to the Board of Directors on the progress of implementation of the Compliance Plan and any relevant investigations and/or corrective action plans.

**Annual Review & Updates to Compliance Plan**

The **REED Next** Compliance Plan will be reviewed at least annually and updated as necessary. Any modifications of, or amendments to, this Compliance Plan will be distributed to all employees, contractors, vendors, and agents as applicable and appropriate. If the Compliance Officer determines that written distribution is insufficient, in-service trainings will also be conducted.

**At-Hire & Annual Compliance Training**

**REED Next** believes that the proper education and training of employees and board members is a significant element of an effective compliance plan. As such, all board members and staff will be expected to review the Compliance Plan (with an annual acknowledgment) and participate in appropriate training.

- All current employees will be provided a copy of the Compliance Plan. Each individual will be expected to sign indicating that they have read and understood the Plan. All staff are expected to annually certify receipt and review of the Plan.
- For new employees, the Compliance Plan will be provided during the orientation process and an educational session will occur at that time. All new employees will be expected to sign a training record stating that they understand and will comply with the Plan.

- For vendors, consultants, contractors and other agent, the Compliance Plan and any updates will be available on the **REED Next** website. All vendors and contractors who do business with the **REED Next** are expected to comply with all elements of the Compliance Plan.
- All **REED Next** staff and board members will be annually trained on: (1) Medicaid Fraud, Waste & Abuse Definitions, Examples & Reporting; (2) False Claims Act; (3) Whistleblower Protections, (4) HIPAA and Confidentiality; (5) Conflicts of Interest; and (6) the **REED Next's** Compliance Plan. Employees who provide Medicaid-reimbursed services and/or work in the fiscal department will be additionally trained regarding Billing and Documentation Requirements for Medicaid services.

**Fraud, Waste & Abuse**

**REED Next** is committed to enacting and implementing practices that assure the detection, avoidance, and reporting of fraud, waste and abuse as it applies to the federal and state Medicaid program within our organization.

To that end, **REED Next** adopts the following definitions related to fraud, waste and abuse:

- (1) **Fraud** - An intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to themselves or some other person. Fraud includes any act that constitutes fraud under applicable federal or state law. **Knowingly or intentionally submitting false claims is an act of fraud.**

*Examples*

- To purposely bill for services that were never provided
- To bill for a service that has a higher reimbursement than the service actually rendered
- Duplicate billing, which occurs when a provider bills Medicaid and also bills the recipient (or private insurance if applicable)
- Having an unlicensed person perform services that only a licensed professional should render, and bill as if the professional provided the service

- (2) **Waste** - The overutilization of services or other practices that result in unnecessary costs.

*Examples*

- To deliver unnecessary services
- To deliver services to a recipient who cannot reasonably benefit from them

- (3) **Abuse** - Provider practices that are inconsistent with sound fiscal, business, or industry practices, and result in an unnecessary cost to the federal / state program, or in reimbursement for services that are not necessary or that fail to meet professionally recognized standards. **Abuse also includes service recipient practices that result in unnecessary cost to the federal program, even without any fraudulent intent.**

*Examples*

- To bill Medicaid multiple times for the same hour of service
- Engaging in an arrangement where someone receives money as a “kick back” for referring someone for a particular service or support

Any suspicion of possible fraud, waste and/or abuse or other violations of the **REED Next** Compliance Plan must be reported to the Compliance Officer. The Compliance Officer will then immediately implement the necessary steps for investigating the matter. If the Compliance Officer is the subject of the complaint, the issue should instead be reported directly to the **REED Next** CEO.

Notably, it is **REED Next’s** policy that every employee and board member has an affirmative duty to report actions or behaviors they feel violate our procedures or state or federal law or regulations. Any employee that fails to report misconduct or illegal behavior may be subject to disciplinary procedures up to and including termination.

**REED Next** encourages employee reporting, and investigates all reports to determine the extent of the problem and corrective action(s) needed. Further, **REED Next** is committed to ensuring that employees who report in good faith:

- a. Do not suffer any retaliation by their peers or supervisors for their reports or questions; and
- b. Have the option to keep their identity confidential in regard to a specific report as long as the organization can reasonably do so.

**REED Next** staff or board members may also report any suspicion of fraud, waste or abuse directly to any of the following entities:

- The DDD Compliance Officer, Division of Developmental Disabilities, P.O. Box 726, Trenton, NJ 08625, Phone: 800-626-6077
- The toll-free NJ Fraud and Abuse Hotline at 1-888-9FRAUD5 (1-888-937-2835).
- The toll-free hotline established by the federal Office of Inspector General in the U.S. Department of Health and Human Services - 1-800-HHS-TIPS (1-800-447-8477).

**Non-Retaliation Policy**

**REED Next** is committed to ensuring that any employee who reports concerns will not suffer from any retaliation for their good faith actions. It is the responsibility of the Compliance Officer to ensure that those reporting in good faith do not suffer any retaliation for doing so.

If a staff member reports fraud, waste or abuse, they are protected as a “whistleblower” under state law from any punishment or other retaliation. This state law is known as the “Conscientious Employee Protection Act”, and is described in the notice issued by the New Jersey Department of Labor and Workforce Development that can be found at [http://www.state.nj.us/labor/AD-270\(11X17\).pdf](http://www.state.nj.us/labor/AD-270(11X17).pdf). Whistleblowers are also protected under the federal False Claims Act and other relevant federal and state statutes.

To the extent possible, all employee reports will be handled in a manner that protects the confidentiality of the reporter if they request it. However, there may be circumstances in which

confidentiality cannot be maintained. Examples include situations where the problem is known to only a very few people or situations in which one of our regulators or funders must be involved. In most cases, they will require the name of the individual who first brought the problem to the attention of the organization.

**Excluded Individuals or Entities**

As an organization who is funded in part by Federal dollars, **REED Next** may not make payments for any items or services which are furnished by an “excluded” individual or entity or directed or prescribed by an “excluded” provider. This payment prohibition extends to payment for administrative and management services not directly related to care as well as coverage of an excluded individual’s salary, expense or fringe benefits. Persons and entities who are listed on the Federal OIG Exclusion Database must receive reinstatement through the OIG to be eligible for reimbursement through Federal dollars. **REED Next** has processes firmly in place to ensure payments are not made to excluded individuals or entities. These processes are outlined in the organization’s *Policies & Procedures Manual*.

**Investigations & Corrective Action**

Upon receiving a report or other reasonable indication of suspected non-compliance with any applicable rule or regulation, the **REED Next** Compliance Officer will initiate prompt steps to investigate the conduct in question and determine whether a material violation of applicable law or the requirements of the Compliance Plan has occurred.

Upon receipt of information concerning alleged misconduct, the Compliance Officer will, at a minimum, take the following actions:

1. Ensure that an investigation is initiated as soon as reasonably possible but, in any event, not more than five business days following receipt of the information. The investigation may include but not be limited to:
  - a. Interviews of all persons who may have knowledge of the alleged conduct and a review of the applicable laws, regulations and standards to determine whether or not a violation has occurred;
  - b. Identification and review of relevant documentation including, where applicable, representative bills or claims submitted to Medicaid to determine the specific nature and scope of the violation and its frequency, duration and potential financial magnitude;
  - c. Interviews of persons who may have played a role in the suspected activity or conduct; and
  - d. Preparation of a summary report that outlines: (i) the nature of the alleged misconduct, (ii) the investigation process, (iii) the nature and extent of potential civil or criminal liability; and (iv) where applicable, the nature of any needed corrective action and/or the extent of any resulting overpayment by the government.
2. Ensure that the investigation, resulting summary report, and corrective action (as applicable) are completed in a reasonable and timely fashion; and



3. Notify the complainant, if identity is known, that the investigation has been concluded and that any necessary follow up is being addressed.

In the event the investigation identifies employee misconduct or suspected criminal activity, **REED Next** shall undertake the following corrective action steps:

2. Immediately cease the offending practice.
3. Determine (in consultation with legal counsel) what reporting may be warranted and conduct any necessary reporting activities;
4. Calculate and repay any clearly duplicate or improper payments made by a federal or state government program as a result of the misconduct, as applicable;
5. Initiate any necessary disciplinary action;
6. Promptly undertake appropriate training and education to prevent a recurrence of the misconduct;
7. Conduct a review of applicable policies and procedures to determine whether revisions or the development of new policies and/or procedures are needed to minimize future risk of noncompliance; and
8. Conduct, as appropriate, follow-up monitoring and auditing to ensure effective resolution of the offending practice.

### **HIPAA & Confidentiality Guidelines for Staff**

The Health Insurance Portability and Accountability Act (“HIPAA”) is a federal law enacted in 1996 that sets standards for the protection of individuals' sensitive health information. The primary goal of HIPAA is to ensure the confidentiality, integrity, and availability of personal health information (“PHI”) while allowing for the secure exchange of electronic health records. PHI includes any information that can be used to identify an individual’s health status, medical conditions, or healthcare treatment. It is essential to comply with HIPAA regulations to safeguard the privacy and security of individuals' health information. Failure to adhere to HIPAA guidelines can result in severe penalties, including fines and legal repercussions.

As an initial matter when dealing with confidential information, it is critical to understand the importance of obtaining *informed consent* before disclosing any confidential information. This involves explaining to the individuals with developmental disabilities who we support, and their guardians/families (if applicable) how their health information will be used and shared, and obtaining their explicit permission to disclose information to other parties. Equally important, all direct care staff must be diligent in maintaining the security of electronic and paper records containing any personal health information. This includes using secure password-protected systems, encrypting electronic data, and ensuring that physical records are stored in locked cabinets accessible only to authorized personnel.

Further, information should only be communicated to others who: (1) have permission to see it, and (2) *need to know it*. This is an important element of HIPAA – even if you have permission to view certain information, if it is PHI, you should only access it *if you need to in order to ensure*

appropriate participant services, documentation, or quality. It is a violation of HIPAA to view PHI in any other circumstance.

It is **all of our responsibility** to maintain the security of all PHI.

**EXAMPLES OF PHI:**

Name	Address	Lab Results/Imaging
Social Security #	Phone Number	Biometric Data
DD ID #	Diagnosis Information	Billing data (dates/times)
Medicaid #	Prescription Information	Billing Notes
Date of Birth	Treatment History	

**These are examples only. REMEMBER: PHI consists of ANY INFORMATION THAT COULD POTENTIALLY IDENTIFY AN INDIVIDUAL’S HEALTH STATUS OR HEALTHCARE TREATMENT**

**Acknowledgment and Approval of Compliance Plan**

The Compliance Plan has been approved by the Board of Directors and Executive Leadership of REED Next. All employees and board members must acknowledge receipt and understanding of the plan at least annually.

**Information on Relevant Federal and State Statutes** (\*\*Adapted from NJ DDD Circular #54)

The following information is provided for reference purposes only. Refer to the actual statute for the complete requirements.

**1. Federal False Claims Act, 31 U.S.C. 3729-3733**

The Act establishes liability when any person or entity improperly receives from or avoids payment to the Federal government--tax fraud excepted. In summary, the Act prohibits:

- a. Knowingly presenting, or causing to be presented to the Government a false claim for payment;
- b. Knowingly making, using, or causing to be made or used, a false record or statement to get a false claim paid or approved by the government;
- c. Conspiring to defraud the Government by getting a false claim allowed or paid;
- d. Falsely certifying the type or amount of property to be used by the Government;
- e. Certifying receipt of property on a document without completely knowing that the information is true;
- f. Knowingly buying Government property from an unauthorized officer of the Government, and;
- g. Knowingly making, using, or causing to be made or used a false record to avoid, or decrease an obligation to pay or transmit property to the Government.

Any individual or entity engaging in any of the seven categories of prohibited actions listed in 31 U.S.C. 3729(a), including the submission of false claims to federally-funded health care programs, shall be liable for a civil penalty which currently is not less than \$5,500 and not more than \$11,000 per false claim, plus three times the amount of damages sustained by the federal government. The amount of the false claims penalty is to be adjusted periodically for inflation in accordance with a federal formula.

The U.S. Attorney General may bring an action under this law. In addition, the law provides that any “whistleblower” may bring an action under this act on his own behalf and for the United States Government. These actions, which must be filed in U.S. District Court, are known as “qui tam”

actions. The Government, after reviewing the complaint and supporting evidence, may decide either to take over the action, or decline to do so, in which case the whistleblower may conduct the action. If either the Government or the whistleblower is successful, the whistleblower is entitled to receive a percentage of the recovery. If prosecuted by the federal government, these qui tam actions are generally handled by the various U.S. Attorney’s Offices, or by the U.S. Justice Department.

Whistleblower Protections: 31 U.S.C. 3730(h) provides that any employee who is subject to retaliation or discrimination by an employer in the terms and conditions of employment because the employee lawfully sought to take action or assist in taking action under this act “shall be entitled to all relief necessary to make the employee whole.” This includes reinstatement with seniority restored to what it would have been without the retaliation or discrimination, double the amount of back pay, interest on back pay, and compensation for any special damages sustained as a result of the employer’s actions, including litigation costs and reasonable attorney’s fees.

**2. Federal Program Fraud Civil Remedies Act, 31 U.S.C. 3801-3812**

Provides federal administrative remedies for false claims and statements, including those made to federally funded health care programs. Current civil penalties are \$5,500 for each false claim or statement, and an assessment in lieu of damages sustained by the federal government of up to double damages for each false claim for which the Government makes a payment. The amount of the false claims penalty is to be adjusted periodically for inflation in accordance with a federal formula.

**3. Nj Medical Assistance & Health Services Act  
Criminal Penalties, N.J.S. 30:4D-17(a)-(d)**

Provides criminal penalties for individuals and entities engaging in fraud or other criminal violations relating to Title XIX-funded programs. They include: (a) fraudulent receipt of payments or benefits: fine of up to \$10,000, imprisonment for up to 3 years, or both; (b) false claims, statements or omissions, or conversion of benefits or payments: fine of up to \$10,000, imprisonment for up to 3 years, or both; (c) kickbacks, rebates and bribes: fine of up to \$10,000, imprisonment for up to 3 years, or both; and (d) false statements or representations about conditions or operations of an institution or facility to qualify for payments: fine of up to \$3,000, or imprisonment for up to 1 year, or both. Criminal prosecutions are generally handled by the

Medicaid Fraud Section within the Office of Insurance Fraud Prosecutor, in the N.J. Division of Criminal Justice.

**Civil Remedies, N.J.S. 30:4D-7.h., N.J.S. 30:4D-17(e)-(i); N.J.S. 30:4D-17.1.a.**

In addition to the criminal sanctions discussed in section 3 above, violations of N.J.S. 30:4D-17(a)-(d) can also result in the following civil sanctions: (a) unintentional violations: recovery of overpayments and interest; (b) intentional violation: recovery of overpayments, interest, up to triple damages, and, as indicated in section V.D.8, below, a penalty (which was increased from \$2,000 to \$5,500 to \$11,000) for each false claim as a result of the NJ False Claims Act.

Recovery actions are generally pursued administratively by the Division of Medical Assistance and Health Services, with the assistance of the Division of Law in the N.J. Attorney General's Office, and can be obtained against any individual or entity responsible for or receiving the benefit or possession of the incorrect payments. In addition to recovery actions, violations can result in the exclusion of an individual or entity from participation in all health care programs funded in whole or in part by the N.J. Division of Medical Assistance and Health Services. Recovery and exclusion can also be obtained as part of a criminal prosecution by the Medicaid Fraud Section of the N.J. Division of Criminal Justice.

**4. Health Care Claims Fraud Act - N.J.S. 2C:21-4.2 & 4.3; N.J.S. 2C:51-5**

Provides the following criminal penalties for health care claims fraud, including the submission of false claims to programs funded in whole or in part with state funds:

- a. A practitioner who knowingly commits health care claims fraud in the course of providing professional services is guilty of a crime of the second degree, and is subject to a fine of up to 5 times the monetary benefits obtained or sought to be obtained and to permanent forfeiture of his license;
- b. A practitioner who recklessly commits health care claims fraud in the course of providing professional services is guilty of a crime of the third degree, and is subject to a fine of up to 5 times the pecuniary benefit obtained or sought to be obtained and the suspension of his license for up to 1 year;
- c. A person who is not a practitioner subject to paragraph a. or b. above (for example, someone who is not licensed, registered or certified by an appropriate State agency as a health care professional) is guilty of a crime of the third degree if that person knowingly commits health care claims fraud. Such a person is guilty of a crime of the second degree if that person knowingly commits 5 or more acts of health care claims fraud, and the aggregate monetary benefit obtained or sought to be obtained is at least \$1,000. In addition to all other criminal penalties allowed by law, such a person may be subject to a fine of up to 5 times the monetary benefit obtained or sought to be obtained;
- d. A person who is not a practitioner subject to paragraph a. or b. above is guilty of a crime of the fourth degree if that person recklessly commits health care claims fraud. In addition to all other criminal penalties allowed by law, such a person may be subject to a fine of up to 5 times the monetary benefit obtained or sought to be obtained.

**5. The Uniform Enforcement Act - N.J.S. 45:1-21. b. and o.**

Provides that a licensure board within the N.J. Division of Consumer Affairs “may refuse to admit a person to an examination or may refuse to issue or may suspend or revoke any certificate, registration or license issued by the board” who is or was engaged in “dishonesty, fraud, deception, misrepresentation, false promise or false pretense:, or has “[a]dvertised fraudulently in any manner.”

**6. N.J. Consumer Fraud Act - N.J.S. 56:8-2, 56:8-3.1, 56:8-13, 56:8-14 and 56:8-15**

Makes unlawful the use of “any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing concealment, suppression, or omission of any material fact”, with the intent that others rely upon it, in connection with the sale, rental or distribution of any items or services by a person, or with the subsequent performance of that person.

This law permits the N.J. Attorney General, in addition to any other penalty provided by law, to assess a penalty of not more than \$10,000 for the first offense and not more than \$20,000 for the second and each subsequent offense. Restitution to the victim also can be ordered.

**7. Conscientious Employee Protection Act, “Whistleblower Act”, N.J.S.A. 34:19-4**

New Jersey law prohibits an employer from taking any retaliatory action against an employee because the employee does any of the following:

- a. Discloses, or threatens to disclose, to a supervisor or to a public body an activity, policy or practice of the employer or another employer, with whom there is a business relationship, that the employee reasonably believes is in violation of a law, or a rule or regulation issued under the law, or, in the case of an employee who is a licensed or certified health care professional, reasonably believes constitutes improper quality of patient care;
- b. Provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into any violation of law, or a rule or regulation issued under the law by the employer or another employer, with whom there is a business relationship, or, in the case of an employee who is a licensed or certified health care professional, provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into quality of patient care; or
- c. Provides information involving deception of, or misrepresentation to, any shareholder, investor, client, patient, customer, employee, former employee, retiree or pensioner of the employer or any governmental entity.
- d. Provides information regarding any perceived criminal or fraudulent activity, policy or practice of deception or misrepresentation which the employee reasonably believes may defraud any shareholder, investor, client, patient, customer, employee, former employee, retiree or pensioner of the employer or any governmental entity.
- e. Objects to, or refuses to participate in, any activity, policy or practice which the employee reasonably believes:

- i. is in violation of a law, or a rule or regulation issued under the law or, if the employee is a licensed or certified health care professional, constitutes improper quality of patient care;
- ii. is fraudulent or criminal; or
- iii. is incompatible with a clear mandate of public policy concerning the public health, safety or welfare or protection of the environment. N.J.S.A. 34:19-3.

The protection against retaliation, when a disclosure is made to a public body, does not apply unless the employee has brought the activity, policy or practice to the attention of a supervisor of the employee by written notice and given the employer a reasonable opportunity to correct the activity, policy or practice. However, disclosure is not required where the employee reasonably believes that the activity, policy or practice is known to one or more supervisors of the employer or where the employee fears physical harm as a result of the disclosure, provided that the situation is emergent in nature.

**8. New Jersey False Claims Act, - N.J.S.A. 2A:32C-1 et seq.**

The New Jersey False Claims Act (NJFCA) was enacted in January, 2008 and became effective in March 2008. It has similar provisions to the federal False Claims Act. For example, The Attorney General may bring an action against an individual or entity that makes a false claim. In addition, the NJFCA also allows for individuals to bring a private right of action in the name of the State against wrongdoers and be able to collect a penalty from those wrongdoers. Under the NJFCA, the civil penalties were increased from to \$2,000 per false or fraudulent claim to the federal level which is currently \$5,500 to \$11,000 per false or fraudulent claim under the NJ Medical Assistance and Health Services Act.

The NJFCA provides that a person will be liable for the same penalties as under the federal False Claims Act but to the State of NJ if that person:

- a. Knowingly presents or causes to be presented to an employee, officer or agent of the State, or to any contractor, grantee, or other recipient of State funds, a false or fraudulent claim for payment or approval;
- b. Knowingly makes, uses, or causes to be made or used a false record or statement to get a false or fraudulent claim paid or approved by the State;
- c. Conspires to defraud the State by getting a false or fraudulent claim allowed or paid by the State;
- d. Has possession, custody, or control of public property or money used or to be used by the State and knowingly delivers or causes to be delivered less property than the amount for which the person receives a certificate or receipt;
- e. Is authorized to make or deliver a document certifying receipt of property used or to be used by the State and, intending to defraud the entity, makes or delivers a receipt without completely knowing that the information on the receipt is true;
- f. Knowingly buys, or receives as a pledge of an obligation or debt, public property from any person who lawfully may not sell or pledge the property; or
- g. Knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the State.

In addition to the above, the NJ False Claims Act has whistleblower protections within it similar to the ones under the federal False Claims Act.