Accounting Policies & Procedures Manual	Policy & Procedure Number: 00-13	Page Number: 1 of 11
Subject: FRAUD PREVENTION		
Applies to:		
Resource Center	Residential Services	ResCare HomeCare
Education & Training Services	Workforce Services	Pharmacy Services
Current Review/Revision Date: 06/12/20	Last Revision Date: 1/18/2022	Original Issue Date: 12/31/2006
Process Owner: *Chief Compliance Officer* Rachael Kurzer Givens		

PURPOSE:
The Fraud Prevention policy is established to promote the detection and prevention of fraud, waste or abuse of resources belonging to Res-Care, Inc. or its subsidiaries (ResCare) and the individuals we support. It is the intent of ResCare to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and the conduct of investigations. This policy is intended to comply with certain requirements set forth in the Deficit Reduction Act of 2005 with regard to federal and state false claims laws.

SCOPE OF POLICY:
This policy applies to any actual or suspected fraud, waste or abuse of resources involving ResCare employees (including management), agents, consultants, vendors, contractors, and/or any other parties with a business relationship with ResCare. Any investigative activity will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to ResCare.

POLICY:
Fraud is the deliberate use of misrepresentation or other deceitful means to obtain something to which a person is not otherwise entitled. When dealing with government contracts or funding, a person need not have actually known that the information provided to the government was false. Fraud may also occur when a person acts in "deliberate ignorance" or "reckless disregard" of the truth or falsity of such information.

Management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate or unethical conduct. Each member of management will be familiar with the types of improprieties that might occur within his or her area of responsibility and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to a supervisor or the Compliance Department (see *REPORTING PROCEDURES* section below*).*

ACTIONS CONSTITUTING FRAUD:
The terms fraud, defalcation, misappropriation, and other fiscal wrongdoings refer to, but are not limited to the following:

- A dishonest or fraudulent act;
- Forgery or alteration of any document or account belonging to ResCare;
- Forgery or alteration of a check, bank draft, or any other financial document;
- Misappropriation of funds, securities, supplies, or other assets;
- Theft, misappropriation or misuse of the identity, personal funds or property of the individuals we support;

- Impropriety in the handling or reporting of money or financial transactions;
- Profiteering as a result of insider knowledge of company activities;
- Disclosing confidential and proprietary information to outside parties;
- Providing false information to governmental entities or other funding sources;
- Improperly billing for services that were provided (upcoding and/or unbundling services);
- Accepting or seeking anything of material value from contractor, vendors or persons providing services/materials to ResCare;
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related inappropriate conduct.

OTHER INAPPROPRIATE CONDUCT:
Suspected improprieties concerning any moral, ethical, or behavioral conduct that does not involve an act of fraud should be resolved by departmental or regional management in consultation with the Human Resources Department, Compliance Department or Legal Department. If there is any question as to whether an action constitutes an act of fraud, the Compliance Department or Legal Department should be contacted for guidance.

INVESTIGATION RESPONSIBILITIES:
Either the Compliance Department or Legal Department has the primary responsibility for the investigation of any suspected fraudulent acts as defined in this policy. If the investigation substantiates that fraudulent activities have occurred, reports will be issued to senior management, including the Chief Legal Officer, and to the Audit Committee and the Quality and Compliance Committee of the Board of Directors. Decisions to prosecute or refer any investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final decisions on disposition of the case.

CONFIDENTIALITY:
The Compliance Department treats all information received confidentially. Any individual who suspects dishonest or fraudulent activity should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see *REPORTING PROCEDURES* section below).

Caution must be exercised during the investigation of suspected improprieties or wrongdoings. This will protect the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect ResCare from potential civil liability.

AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD:
Employees appointed to conduct fraud investigations will have:

- Free and unrestricted access to all ResCare records and premises, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of ResCare files, computers, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

Any questions pertaining to an employee's authority under this section should immediately be directed to the Legal Department.

REPORTING PROCEDURES:
Any individual who discovers or suspects fraudulent activity should contact a supervisor or ResCare's Compliance Department immediately. Allegations reported to the Compliance Department may be made by directly contacting a Compliance Officer or by using ResCare's toll-free Compliance Action Line at 1-866-293-3863. The complainant has the option of remaining anonymous. Any inquiries from the suspected individual, his or her attorney or representative, or any other inquirer related to the activity under

investigation should be directed to the Compliance Department or the Legal Department. Any individual reporting suspected fraudulent activity should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Legal Department or Compliance Department.
- Any form of retaliation or retribution against individuals who make good faith reports of known or suspected instances of inappropriate business conduct or activity will not be tolerated.
- Any person using the Compliance Action Line to purposely report false information or allegations will be subject to corrective action in accordance with ResCare's Progressive Corrective Action policy (7.3).

MANDATORY DISCLOSURE:

ResCare's management shall timely disclose, in writing, to the appropriate federal or state oversight agency in connection with the award, performance, or closeout of any government contract or subcontract, when it has credible evidence of a violation of federal or state law involving fraud, conflict of interest, bribery or gratuity violations. In those situations where a government contract or subcontract is involved, a copy of the written notice shall be provided to the appropriate Contracting Officer.

FEDERAL AND STATE FALSE CLAIMS ACTS:

The Federal False Claims Act (UNITED STATES CODE SECTIONS 3729 – 3733) is federal law which authorizes private individuals to file lawsuits on behalf of the federal government against other individuals or entities who make false claims for financial payment or reimbursement from the federal government. Such lawsuits are called "whistleblower" or "*qui tam*" suits. The purpose of the law is to prevent fraud, waste and abuse. The law applies to corporate entities and individuals. Under the law, any corporate entity or person who makes a request or demand for money, property or reimbursement from the federal government, knowing the request is false or fraudulent, can be prosecuted. Additionally, any corporate entity or individual who makes, uses or facilitates the use of a false record or statement to obtain payment or reimbursement from the federal government can be prosecuted. The third area of liability includes those instances in which someone may obtain money from the federal government to which he may not be entitled, and then uses false statements or records in order to retain the money. The law provides for compensatory as well as punitive damages against a corporate entity or individual found guilty of illegal activity. Any individual or entity found liable under the False Claims Act will be subject to a civil monetary penalty of not less than $11,665 and not more than $23,331 per claim plus up to three times the amount of damages sustained by the United States Government, based upon the acts of the individual or entity. The False Claims Act's minimum and maximum civil monetary penalty amount may be adjusted for inflation by the Federal Civil Penalties Inflation Adjustment Act of 1990. The amounts listed in this policy shall automatically adjust accordingly.

In addition to the Federal False Claims Act, the Deficit Reduction Act of 2005 contains additional provisions aimed at reducing Medicaid fraud and abuse. Among these provisions are financial incentives for individual states to develop their own false claims acts with provisions that meet or exceed those of federal law. A list of states which currently have their own false claims act or general statutes related to false claims is set forth in ***Attachment A*** and ***Attachment B.***

The Fraud Enforcement and Recovery Act of 2009 further strengthens the False Claims Act by expanding liability to indirect recipients of federal funds, expanding liability for the retention of overpayments (even where there is no false claim), adding a materiality requirement and defining it broadly, expanding protections for whistleblowers, expanding the statute of limitations, and providing relators with access to documents obtained by the government.

Both the Federal and State False Claims Acts provide protection from retaliation by employers against employees who file whistleblower suits (See Compliance Policy C04 – Non-Retaliation and Non-Retribution for Reporting Compliance Concerns). The federal act, and some state acts, also provide for sanctions against

anyone who files a whistleblower suit that is found to be frivolous, vexatious or filed primarily for the purposes of harassment.

THE PROGRAM FRAUD CIVIL REMEDIES ACT:
The Program Fraud Civil Remedies Act of 1986 (UNITED STATES CODE TITLE 31 SECTIONS 3801-3812) provides federal agencies the ability to obtain administrative remedies, separate from and in addition to, compensatory and punitive damages available under the Federal False Claims Act. The act applies to corporate entities and individuals. The statute authorizes a federal agency to seek administrative remedies in the event a corporation or individual knowingly submits false claims or statements to the agency. Available remedies include civil monetary penalties of up to $ 11,665 for each false claim or statement and assessments of up to twice the amount of each false claim or statement. Agencies may also pursue actions to suspend or debar any corporate entity or individual from entering into contracts with the federal government. The Program Fraud Civil Remedies Act's civil monetary penalty amount may be adjusted for inflation by the Federal Civil Penalties Inflation Adjustment Act of 1990. The amount listed in this policy shall automatically adjust accordingly.

FRAUD PREVENTION & DETECTION CONTROLS:
ResCare's management has acted upon their responsibility of designing and implementing systems and internal controls for the prevention and detection of fraud. This is demonstrated by creating an environment that promotes both honest and ethical behavior from not only the company's Leadership Team but also the various levels of employees at the Resource Center and within our subsidiaries. In order to prevent fraud at ResCare, the following fraud prevention controls are in place:

- Code of Conduct
- Audit Committee Oversight
- Written Policies and Procedures
- Fraud Prevention Training
- Compliance Training

In order to detect fraud at ResCare, the following fraud detection controls are in place:

- Compliance Action Line
- Internal Audit Function
- Analysis of Budget-To-Actual Results
- Management's Internal Control Environment
- Annual Eligibility Certification Form
- Utilization of state and Federal exclusions databases and debarment lists

TERMINATION:
If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed and approved by regional or departmental management, the People Services Department and/or the Legal Department before any such action is taken.

ADMINISTRATION:
The Chief Compliance Officer or designee is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed semi-annually and revised as needed.

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Questions regarding this policy should be directed to the Process Owner, Chief Compliance Officer, Chief Accounting Officer or the Chief Financial Officer.

Approved by:

/s/ Rachael Kurzer Givens	January 18, 2022
Chief Compliance Officer	Date
/s/ Jennifer Phipps	January 18, 2022
Chief Accounting Officer	Date
/s/ James F. Mattingly, Jr.	January 18, 2022
Chief Financial Officer	Date

Attachment A

STATE FALSE CLAIMS ACTS & GENERAL STATUTES

STATE	REGULATION	OIG CERTIFICATION
Alabama*	*No State FCA.* Ala. Admin. Code Rule 560- X-1 – 560- X-26.01; Ala. Code §22-1-11; Ala. Code §§ 13A-5-6, 13A-5-11.	NO
Alaska	**State FCA (Medicaid Only).** AK Stat. §§ 09.58.010 – 09.58.110; AK Stat. §§ 47.05.200 – 47.05.290; AK Stat. §§ 39.90.100 – 39.90.190; 7 AAC 105.400 – 105.490.	NO
Arizona*	*No State FCA*. Ariz. Rev. Stat. Ann. §§ 36-2918 – 36-2918.01; Ariz. Stat. Ann. § 13-2311; Ariz. Rev. Stat. Ann. §§ 38-531 – 38-532; Ariz. Rev. Stat. Ann. §§ 23-1501 – 23-1502.	NO
Arkansas *	**State FCA (Medicaid Only).** Ark. Code Ann. §§ 20-77-901 – 20-77-912; Ark. Code Ann. §§ 5-55-1-1 – 5-55-115.	NO
California	**State FCA.** Cal. Govt. Code §§ 12650 – 12656; Ca. Welf. & Inst. Code §§ 14107, 14107.1, 14107.11, 14107.12, 14107.13, 14123, 14123.2, 14123.25.	YES
Colorado	**State FCA (Medicaid Only).** Colo. Rev. Stat. §§ 25.5-4-303.3 – 25.5-4-310; Colo. Rev. Stat. § 18-5-114.	YES
Connecticut	**State FCA.** Conn. Gen. Stat. §§ 4-274 – 4-289.	YES
Delaware	**State FCA.** Del. Code tit. 6 §§ 1201 – 1211; Del. Code tit. 31 §§ 1001 – 1009.	YES
Dist. of Columbia	**State FCA.** D.C. Code Ann. §§ 2-381.01 – 2-381.10; D.C. Code Ann. §§ 4-801 – 4-805.	NO
Florida	**State FCA.** Fla. Stat. §§ 68.081 – 68.092; Fla. Stat. § 112.3187; Fla. Stat. § 409.920; Fla. Stat. § 409.9201; Fla. Stat. § 409.913; Fla. Stat. § 414.39; Fla. Stat. § 812.035; Fla. Stat. § 817.155; Fla. Stat. § 837.06; Fla. Admin. Code r. 59G-9.070	NO
Georgia	**State FCA (Medicaid Only).** Ga. Code Ann. §§ 49-4-168 – 49-4-168.6; Ga. Code Ann. § 49-4-146.1.	YES
Hawaii	**State FCA.** Haw. Rev. Stat. §§ 661-21 – 661-31; Haw. Rev. Stat. §§ 46-171 – 46-181.	YES
Idaho*	*No State FCA*. Idaho Code §§ 56-226 – 56-227C.	NO
Illinois	**State FCA.** 740 Ill. Comp. Stat. 174/1 – 174/40; 740 Ill. Comp. Stat. 175/1 – 175/8.	YES
Indiana	**State FCA.** Ind. Code §§ 5-11-5.5-1 – 5-11-5.5-18; Ind. Code §§ 35-43-5-0.1 – 35-43-5-23.	YES
Iowa	**State FCA.** Iowa Code §§ 685.1 – 685.10; Iowa Code §§ 249a.39 – 249a.57.	YES

Kansas *	**State FCA.** Kan. Stat. Ann. §§ 75-7501 – 75-7511; Kan. Stat. Ann. §§ 21-5925 – 21-5934; Kan. Stat. Ann. §§ 75-725 – 75-726.	NO
Kentucky	*No State FCA.* Ky. Rev. Stat. §§ 205.8451 – 205.8483; Ky. Rev. Stat. § 534.030; Ky. Rev. Stat. § 534.050.	NO
Louisiana	**State FCA (Medicaid Only).** La. Rev. Stat. Ann. §§ 46:437 – 46:440.16; La. Rev. Stat. Ann. § 14:70.1.	NO
Maine*	*No State FCA.* 22 Me. Rev. Stat. Ann. §§ 1-a, 13 – 15; 26 Me. Rev. Stat. Ann. §§ 831 – 840.	NO
Maryland	**State FCA (Medicaid Only).** Md. Code Ann. Health General T. 2 §§ 2-601 – 2-611; Md. Code Ann. Crim. Law §§ 8-508 – 8-519; Md. Code Ann. Health Occup. T. 1 §§ 1-501 – 1-506.	NO
Massachusetts	**State FCA.** Mass. Gen. Laws ch. 12, §§ 5a – 5o; Mass. Gen. Laws ch. 266, § 67B.	YES
Michigan	**State FCA (Medicaid Only).** Mich. Comp. Laws Ann. §§ 400.601 – 400.615; Mich. Comp. Laws Ann. § 400.111b(16).	NO
Minnesota	**State FCA.** Minn. Stat. §§ 15c.01 – 15c.16; Minn. Stat. §§ 609.466, 609.52.	NO
Mississippi *	*No State FCA.* Miss. Code Ann. §§ 43-13-201 – 43-13-233; Miss. Code Ann. § 43-13-129.	NO
Missouri *	**State FCA (Medicaid Only).** Mo. Rev. Stat. §§ 191.900 – 191.914.	NO
Montana	**State FCA.** Mont. Code Ann. §§ 17-8-401 – 17-8-416; Mont. Code Ann. § 45-6-313.	YES
Nebraska *	**State FCA (Medicaid Only).** Neb. Rev. Stat. §§ 68-934 – 68-947; Neb. Rev. Stat. Ann. §§ 48-1114, 48-1119; Neb. Rev. Stat. Ann. § 71-445; Neb. Rev. Stat. Ann. § 28-631; Neb. Rev. Stat. Ann. § 44-6604.	NO
Nevada	**State FCA.** Nev. Rev. Stat. Ann. §§ 357.010 – 357.250; Nev. Rev. Stat. Ann. §§ 422.450 – 422.590.	YES
New Hampshire	**State FCA (Medicaid Only).** N.H. Rev. Stat. Ann. §§ 167.58 – 167.62;	NO
New Jersey	**State FCA.** N.J.S. 30:4D-17(a)-(d); N.J.S. 30:4D-7.h; N.J.S. 30:4D-17(e)-(i); N.J.S. 30:4D-17.1.a; N.J.S. 2C:21-4.2, 2C:21-4.3; N.J.S. 2C:51-5; N.J.S. 34:19-1.	NO
New Mexico	**State FCA.** N.M. Stat. Ann. §§ 27-14-1 – 27-14-15; N.M. Stat. Ann. §§ 30-44-1 – 30-44-8.	NO

New York	**State FCA.** N.Y. Fin. Law §§ 187 – 194; N.Y. Lab. Law § 740; N.Y. Soc. Serv. Law § 145-b; N.Y. Soc. Serv. Law § 366-b.	YES
North Carolina	**State FCA.** N.C. Gen. Stat. §§ 1-605 – 1-629; N.C. Gen. Stat. §§ 108a-70.10 –108a-70.17; N.C. Gen. Stat. § 97-88.3.	YES
North Dakota*	*No State FCA*. N.D. Stat. Ann. §§ 75-02-05-05 – 75-02-05-09; N.D. Cent. Code § 34-01-20.	NO
Ohio	*No State FCA*. Ohio Rev. Code § 5162.15; Ohio Rev. Code § 2913.40; Ohio Rev. Code § 5164.35; Ohio Rev. Code §4113.52.	NO
Oklahoma	**State FCA (Medicaid Only).** 63 Okla. Stat. §§ 5053 – 5054, 5015; 56 Okla. Stat. §§ 1005 – 1007; 21 Okla. Stat. §§ 358 – 359.	YES
Oregon *	**State FCA.** Or. Rev. Stat. §§ 180.750 – 180.785; Or. Rev. Stat. §§ 411.593 – 411.703; Or. Rev. Stat. §§ 165.690 – 698; Or. Rev. Stat. §§ 659A.199, 885.	NO
Pennsylvania	*No State FCA.* 62 Pa. Stat. §§ 1407 – 1409; 55 Pa. Code § 1101.75; 43 Pa. Stat. §§ 1421 – 1428.	NO
Rhode Island	**State FCA.** R.I. Gen. Laws §§ 9-1.1-1 – 9-1.1-9; R.I. Gen. Laws §§ 40-8.2-1 – 40-8.2-23; R.I. Gen. Laws §§ 28-50-1 – 28-50-9.	YES
South Carolina*	*No State FCA.* S.C. Code Ann. § 38-55-170; S.C. Code Ann. §§ 43-7-60 – 43-7-90; S.C. Code of Regulations R. 126-403; S.C. Code Ann.§§ 8-27-10 – 8-27-60.	NO
South Dakota*	*No State FCA*. S.D. Codified Laws §§ 22-45-1 – 22-45-11; S.D. Codified Laws § 27B-8-43.	NO
Tennessee	**State FCA.** Tenn. Code Ann. §§ 4-18-101 – 4-18-108; Tenn. Code Ann. §§ 71-5-182 – 71-5-183.	YES
Texas	**State FCA (Medicaid Only).** Tex. Hum. Res. Code Ann. § 36.001 – 36.132; Tex. Hum. Res. Code §§ 32.039, 32.0391.	YES
Utah *	**State FCA.** Utah Code Ann. §§ 26-20-1 – 26-20-15.	NO
Vermont	**State FCA.** Vt. Stat. Ann. tit. 32 § 630 – 642; Vt. Stat. Ann. tit. 33 §§ 141, 143, 143a; Vt. Stat. Ann. tit. 13, § 3016; Vt. Stat. Ann. tit. 21 §§507 – 509.	YES
Virginia	**State FCA.** Va. Code Ann. § 8.01-216.1 – 8.01-216.19; Va. Code Ann. §§ 18.2-498.1 – 18.2-498.5; Va. Code Ann. §§ 32.1-312, 32.1 314, 32.1-315.	YES

Washington**	**State FCA (Medicaid Only).** Wash. Rev. Code §§ 74.66.005 – 74.66.130; Wash. Rev. Code §§ 74.09.210, 74.09.315, 74.09.230, 48.80.030, 42.40.020, 49.60.250.	YES
West Virginia	*No State FCA.* W.Va. Code §§ 9-7-1 – 9-7-9*;* W.Va. Code §§ 6C-1-1 – 6C-1-8.	NO
Wisconsin	*No State FCA.* Wis. Stat. §§ 49.49, 49.485; Wis. Stat. § 146.997; Wis. Stat. § 111.39.	NO
Wyoming *	**State FCA (Medicaid Only).** Wyo. Stat. Ann. § 42-4- 303(a), *et seq.*	NO

Note: This list is believed to be up-to-date and complete, but as a result of the incentives contained in the Federal Deficit Reduction Act of 2005, additional states are considering legislation. (Updated 03/2020).

* Without a Qui Tam Provision

** The qui tam provisions of the Washington Medicaid Fraud False Claims Act established under 74.66 terminate on June 30, 2023. See Wash. Rev. Code §43.131.419. Wash. Rev. Code 74.66.050 through 74.66.130 are scheduled for repeal effective June 30, 2024. See Wash. Rev. Code §43.131.4

Attachment B

NEW JERSEY FALSE CLAIMS ACTS & GENERAL STATUTES

NEW JERSEY FALSE CLAIMS ACT

The New Jersey False Claims Act ("NJFCA") makes it unlawful for any person to: (1) knowingly present, or cause to be presented, a false or fraudulent claim for payment or approval; (2) knowingly make, use, or cause to be made or used, a false record or statement material to a false or fraudulent claim; (3) knowingly make, use, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to a government entity, or knowingly conceal or knowingly and improperly avoid or decrease an obligation to pay or transmit money or property to a government entity; or (4) conspire to commit one or more of the above listed violations. *See* N.J. Stat. § 2A:32C-3.

A violator of the NJFCA will be liable to the State for three times the amount of damages sustained by the State and attributable to the violator, plus a civil penalty of at least $11,665 but no more than $23,331. (The minimum and maximum civil monetary penalty amount may be adjusted for inflation.) Certain liabilities may be reduced if the violator furnishes the New Jersey Attorney General with all information known to the violator within thirty (30) days of receiving such information, provided that the violator does not have knowledge of an investigation at the time the violator furnishes such information. *See* N.J. Stat. 2A:32C-4.

The New Jersey Attorney General shall investigate suspected violations of the NJFCA and may bring a civil action against a person that has violated the NJFCA. An individual may also bring a private civil action on behalf of the individual and the State. If the New Jersey Attorney General proceeds with a qui tam action, the private plaintiff may receive a percentage of the funds recovered. *See* N.J. Stat. 2A:32C-7.

WHISTLEBLOWER PROTECTIONS

The NJFCA contains an employee protection provision that prohibits an employer from discharging, demoting, suspending, threatening, harassing, or otherwise discriminating against an employee for lawfully disclosing information regarding a false claims action against the employer. An employer who violates the employee protection provision is liable to the affected employee for all relief necessary to make such person whole, including reinstatement with the same seniority status as if the discrimination had not occurred, twice the amount of back pay, interest on the back pay and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorney's fees. *See* N.J. Stat. 2A:32C-10.

Additionally, New Jersey's Conscientious Employee Protection Act (the "NJCEPA") contains an employee protection provision that prohibits an employer from taking any retaliatory action against an employee because such employee discloses or threatens to disclose, or objects to participate in, any activity, policy or practice of the employer that the employee reasonably believes is in violation of a law, rule, or regulation, or is fraudulent or criminal. Retaliatory action includes discharging, disciplining, or otherwise penalizing or threatening to penalize such employee. The protection against retaliatory action only apply to an employee who first brings the offending activity, policy or practice to the attention of his or her supervisor and affords the employer a reasonable opportunity to correct such activity, policy or practice. An employer who violates this employee protection provision may be liable to the affected employee for reinstatement, restoration of benefits, back pay and reasonable costs and attorney's fees. Such employer may also be subject to punitive damages and a civil penalty of up to $20,000. *See* N.J. Stat. 34:19-3; 34:19-4; 34:19-5.

NEW JERSEY HEALTH CARE CLAIMS FRAUD ACT

New Jersey's Health Care Claims Fraud Act (the "NJHCCFA") prohibits any person from making or causing to be made a false, factious, fraudulent, or misleading statement of material fact in, or omitting a material fact from, or causing a material fact to be omitted from, any record, bill, claim or other document that a person submits, attempts to submit, or causes to be submitted for payment or reimbursement for health care services. The NJHCCFA is a criminal offense, and any person who is found guilty

of violating the NJHCCFA may be subject to a fine of up to five times the pecuniary benefit obtained or sought to be obtained by such person as well as loss of professional licensure and all other penalties allowed by law. *See* N.J. Stat. 2C:21-4.2; 2C:21-4.3.

NEW JERSEY MEDICAL ASSISTANCE AND HEALTH SERVICES ACT

New Jersey's Medical Assistance and Health Services Act (the "NJMAHSA") contains a statute that prohibits certain fraudulent activities in connection with certain New Jersey health care benefit programs, including New Jersey's Medicaid program. The NJMAHSA's antifraud statute prohibits a person from (1) knowingly and willfully making or causing to be made any false statement or representation of a material fact in any cost study, claim form, or any document necessary to apply for or receive any benefit or payment under New Jersey's Medicaid program; (2) knowingly and willfully making or causing to be made any false statement or representation of a material fact for use in determining a person's right to any benefit or payment under New Jersey's Medicaid program; or (3) concealing or failing to disclose the occurrence of an event which affects the right of any person to receive payment or benefits under New Jersey's Medicaid program with an intent to receive payments or benefits to which a person is not entitled. Any person or entity that violates the NJMAHSA is guilty of a criminal offense punishable by fines and imprisonment. Additionally, a violator may be subject to civil monetary penalties of (1) payment of interest on the amount of the excess benefits or payments made to such person or entity; (2) up to three times the amount of excess payment or benefits received by such person or entity, plus interest; and (3) additional penalties ranging from $11,665 to $23,331 per claim as allowed under the federal False Claims Act. *See* N.J. Stat. 30:4D-17. The federal False Claims Act's minimum and maximum civil monetary penalty amount may be adjusted for inflation by the Federal Civil Penalties Inflation Adjustment Act of 1990. The amounts listed above shall automatically adjust accordingly. Providers that violate the NJMAHSA may also be subject to disbarment from the New Jersey Medicaid program and loss of professional licensure.

REPORTING

Any individual who discovers or suspects fraudulent activity should contact a supervisor or ResCare's Compliance Department immediately. Allegations reported to the Compliance Department may be made by directly contacting a Compliance Officer or by using ResCare's toll-free Compliance Action Line at 1-866-293-3863. The complainant has the option of remaining anonymous.

Individuals may also report fraud to the NJ Medicaid Fraud Division Hotline: 888-937-2835 or https://www.nj.gov/comptroller/about/work/medicaid/complaint.shtml and the NJ Insurance Fraud Prosecutor Hotline: 877-55-FRAUD or https://njinsurancefraud2.org/#report.