

685.3 Investigations and prosecutions — powers of prosecuting authority — civil actions by individuals as qui tam plaintiffs and as private citizens — jurisdiction of courts.

1. The attorney general shall diligently investigate a violation under section 685.2. If the attorney general finds that a person has violated or is violating section 685.2, the attorney general may bring a civil action under this section against that person.

2. a. A person may bring a civil action for a violation of this chapter for the person and for the state, in the name of the state. The person bringing the action shall be referred to as the qui tam plaintiff. Once filed, the action may be dismissed only if the court and the attorney general provide written consent to the dismissal and the reasons for such consent.

b. A copy of the complaint and written disclosure of substantially all material evidence and information the person possesses shall be served on the attorney general pursuant to the Iowa rules of civil procedure. The complaint shall also be filed in camera, shall remain under seal for at least sixty days, and shall not be served on the defendant until the court so orders. The state may elect to intervene and proceed with the action within sixty days after the state receives both the complaint and the material evidence and the information.

c. The state may, for good cause shown, move the court for extensions of the time during which the complaint remains under seal under paragraph “b”. Any such motions may be supported by affidavits or other submissions in camera. The defendant shall not be required to respond to any complaint filed under this section until twenty days after the complaint is unsealed and served upon the defendant pursuant to rule 1.302 of the Iowa rules of civil procedure.

d. Before the expiration of the sixty-day period or any extensions obtained under paragraph “c”, the state shall do one of the following:

(1) Proceed with the action, in which case the action shall be conducted by the state.

(2) Notify the court that the state declines to take over the action, in which case the qui tam plaintiff shall have the right to conduct the action.

e. When a person brings an action under this section, no person other than the state may intervene or bring a related action based on the facts underlying the pending action.

3. a. If the state proceeds with the action, the state shall have the primary responsibility for prosecuting the action, and shall not be bound by an act of the qui tam plaintiff. Such qui tam plaintiff shall have the right to continue as a party to the action, subject to the limitations specified in paragraph “b”.

b. (1) The state may move to dismiss the action, notwithstanding the objections of the qui tam plaintiff if the qui tam plaintiff has been notified by the state of the filing of the motion and the court has provided the qui tam plaintiff with an opportunity for a hearing on the motion.

(2) The state may settle the action with the defendant notwithstanding the objections of the qui tam plaintiff if the court determines, after a hearing, that the proposed settlement is fair, adequate, and reasonable under all of the circumstances. Upon a showing of good cause, such hearing may be held in camera.

(3) Upon a showing by the state that unrestricted participation during the course of the litigation by the qui tam plaintiff would interfere with or unduly delay the state’s prosecution of the case, or would be repetitious, irrelevant, or for purposes of harassment, the court may, in its discretion, impose limitations on the qui tam plaintiff’s participation, including but not limited to any of the following:

(a) Limiting the number of witnesses the qui tam plaintiff may call.

(b) Limiting the length of the testimony of such witnesses.

(c) Limiting the qui tam plaintiff’s cross-examination of witnesses.

(d) Otherwise limiting the participation by the qui tam plaintiff in the litigation.

(4) Upon a showing by the defendant that unrestricted participation during the course of the litigation by the qui tam plaintiff would be for purposes of harassment or would cause the defendant undue burden or unnecessary expense, the court may limit the participation by the qui tam plaintiff in the litigation.

c. If the state elects not to proceed with the action, the qui tam plaintiff shall have the right to conduct the action. If the state so requests, the state shall be served with copies of all pleadings filed in the action and shall be supplied with copies of all deposition transcripts at the state’s expense. When a qui tam plaintiff proceeds with the action, the court, without

limiting the status and rights of the qui tam plaintiff, may permit the state to intervene at a later date upon a showing of good cause.

d. Whether or not the state proceeds with the action, upon a showing by the state that certain actions of discovery by the qui tam plaintiff would interfere with the state's investigation or prosecution of a criminal or civil matter arising out of the same facts, the court may stay such discovery for a period of not more than sixty days. Such a showing shall be conducted in camera. The court may extend the sixty-day period upon a further showing in camera that the state has pursued the criminal or civil investigation or proceedings with reasonable diligence and any proposed discovery in the civil action will interfere with the ongoing criminal or civil investigation or proceedings.

e. Notwithstanding subsection 2, the state may elect to pursue the state's claim through any alternate remedy available to the state, including any administrative proceeding to determine a civil penalty. If any such alternate remedy is pursued in another proceeding, the qui tam plaintiff shall have the same rights in such proceeding as such qui tam plaintiff would have had if the action had continued under this section. Any finding of fact or conclusion of law made in such other proceeding that has become final, shall be conclusive as to all such parties to an action under this section. For purposes of this paragraph, a finding or conclusion is final if it has been finally determined on appeal to the appropriate court of the state, if all time for filing such an appeal with respect to the finding or conclusion has expired, or if the finding or conclusion is not subject to judicial review.

4. a. (1) If the state proceeds with an action brought by a qui tam plaintiff under subsection 2, the qui tam plaintiff shall, subject to subparagraph (2), receive at least fifteen percent but not more than twenty-five percent of the proceeds of the action or settlement of the claim, depending upon the extent to which the qui tam plaintiff substantially contributed to the prosecution of the action.

(2) If the action is one which the court finds to be based primarily on disclosures of specific information, other than information provided by the qui tam plaintiff, relating to allegations or transactions in a criminal, civil, or administrative hearing, or in a legislative, administrative or state auditor report, hearing, audit, or investigation, or from the news media, the court may award an amount the court considers appropriate, but in no case more than ten percent of the proceeds, taking into account the significance of the information and the role of the qui tam plaintiff in advancing the case to litigation.

(3) Any payment to a qui tam plaintiff under subparagraph (1) or (2) shall be made from the proceeds. Any such qui tam plaintiff shall also receive an amount for reasonable expenses which the appropriate court finds to have been necessarily incurred, plus reasonable attorney fees and costs. All such expenses, fees, and costs shall be awarded against the defendant.

b. If the state does not proceed with an action under this section, the qui tam plaintiff or person settling the claim shall receive an amount which the court decides is reasonable for collecting the civil penalty and damages. The amount shall be not less than twenty-five percent and not more than thirty percent of the proceeds of the action or settlement and shall be paid out of such proceeds. Such qui tam plaintiff or person shall also receive an amount for reasonable expenses which the court finds to have been necessarily incurred, plus reasonable attorney fees and costs. All such expenses, fees, and costs shall be awarded against the defendant.

c. Whether or not the state proceeds with the action, if the court finds that the action was brought by a qui tam plaintiff who planned and initiated the violation of section 685.2 upon which the action was brought, the court may, to the extent the court considers appropriate, reduce the share of the proceeds of the action which the qui tam plaintiff would otherwise receive under paragraph "a" or "b", taking into account the role of that qui tam plaintiff in advancing the case to litigation and any relevant circumstances pertaining to the violation. If the qui tam plaintiff is convicted of criminal conduct arising from the qui tam plaintiff's role in the violation of section 685.2, the qui tam plaintiff shall be dismissed from the civil action and shall not receive any share of the proceeds of the action. Such dismissal shall not prejudice the right of the state to continue the action represented by the attorney general.

d. If the state does not proceed with the action and the qui tam plaintiff conducts the action, the court may award to the defendant reasonable attorney fees and expenses if the

defendant prevails in the action and the court finds that the claim of the qui tam plaintiff was clearly frivolous, clearly vexatious, or brought primarily for purposes of harassment.

5. *a.* A court shall not have jurisdiction over an action brought by a former or present member of the Iowa national guard under this chapter against a member of the Iowa national guard arising out of such person's services in the Iowa national guard.

b. A qui tam plaintiff shall not bring an action under subsection 2 which is based upon allegations or transactions which are the subject of a civil suit or an administrative civil penalty proceeding in which the state is already a party.

c. A court shall dismiss an action or claim under this section, unless opposed by the state, if substantially the same allegations or transactions as alleged in the action or claim were publicly disclosed in a state criminal, civil, or administrative hearing in which the state or an agent of the state is a party; in a state legislative, state auditor, or other state report, hearing, audit, or investigation; or by the news media, unless the action is brought by the attorney general or the qui tam plaintiff is an original source of the information.

d. The state is not liable for expenses which a person incurs in bringing an action under this section.

6. *a.* Any employee, contractor, or agent shall be entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the employee, contractor, or agent or associated others in furtherance of an action under this section or other efforts to stop one or more violations of this chapter.

b. Relief under paragraph "a" shall include reinstatement with the same seniority status that employee, contractor, or agent would have had but for the discrimination, two times 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 fees. An action under this subsection may be brought in the appropriate district court of the state for the relief provided in this subsection.

c. A civil action under this subsection shall not be brought more than three years after the date when the retaliation occurred.

2010 Acts, ch 1031, §340; 2011 Acts, ch 129, §103, 104, 156

Referred to in §685.1, 685.4, 685.5, 685.6