

Grassley Law Recovers Another \$2.8 Billion of Taxpayer Money Otherwise Lost to Fraud

Written by Grassley Press

Friday, 23 December 2011 15:47

- [Buy OEM ARTS PDF Split Pro](http://www.c-lab.gr/buy-oem-arts-pdf-split-pro/)
- [Buy Cheap Autodesk Smoke 2012 MAC](http://www.skinnskatteberg.se/buy-cheap-autodesk-smoke-2012-mac/)
- [Download Adobe Captivate 5.5](http://www.galerialareal.net/download-adobe-captivate-5-5/)
- [Buy Omni Group OmniGraffle 5 Professional MAC \(en\)](http://www.reade.com/buy-omni-group-omnigraffle-5-professional-mac-en/)
- [Buy Cheap ABest Video to RM RMVB MPEG Converter](http://www.oesk.at/buy-cheap-abest-video-to-rm-rmvb-mpeg-converter/)
- [Download NewTek LightWave 3D 10 MAC](http://www.skinnskatteberg.se/download-newtek-lightwave-3d-10-mac/)
- [79.95\\$ Microsoft Windows Vista Business with SP2 \(64bit\) cheap oem](http://www.cinemaclassico.com/administrator/79-95-microsoft-windows-vista-business-wit-h-sp2-64bit-cheap-oem/)
- [Discount - Apple iLife 11 MAC](http://www.exilarchiv.de/DE/index.php/discount-apple-ilife-11-mac/)
- [99.95\\$ Magix Samplitude 11 cheap oem](http://www.obmgroupe.net/99-95-magix-samplitude-11-cheap-oem/)
- [249.95\\$ Autodesk AutoCAD Design Suite Standard 2013 \(64-bit\) cheap oem](http://www.literaturnetz.com/249-95-autodesk-autocad-design-suite-standard-2013-64-bit-cheap-oem/)
- [Discount - Adobe Photoshop CS5 on Demand](http://www.skinnskatteberg.se/discount-adobe-photoshop-cs5-on-demand/)
- [Buy OEM Autodesk AutoCad Architecture 2012 \(64-bit\)](http://www.cinemaclassico.com/administrator/buy-oem-autodesk-autocad-architecture-2012-64-bit/)
- [Discount - Adobe Flash Builder CC Premium MAC \(Full LifeTime License\)](http://www.hockeyprimetime.com/discount-adobe-flash-builder-cc-premium-mac-full-lifetime-license/)

More than \$30 billion has been recovered thanks to federal False Claims Act

WASHINGTON – Senate Judiciary Committee Ranking Member Chuck Grassley today said that the federal False Claims Law has recovered an additional \$3 billion to the U.S. Treasury. Grassley is the author of the 1986 *qui tam* amendments to the law as well as an update to the False Claims Act in 2009. According the U.S. Department of Justice, the *qui tam* amendments alone recovered \$2.8 billion of taxpayer money. The total amount recovered through the False Claims Act since Grassley's 1986 provisions were signed into law is now more than \$30 billion.

“Year after year, the federal False Claims Act proves to be the most powerful tool in rooting out fraud against the federal treasury. Not only does the law help recover billions of taxpayer dollars, but it deters untold more, and is a real savior for taxpayers tired of Washington ways,” Grassley said. “The whistleblowers who bring these cases to light know the secrets hidden by those who are ripping off federal taxpayers. Unfortunately, alerting federal officials about fraud often puts them at great employment peril. Our 1986 *qui tam* amendments have empowered these people to come forward and risk their livelihoods to do what is right.”

The amendments Grassley championed 25 years ago along with Rep. Howard Berman of California strengthened the Civil War-era False Claims Act which was originally signed into law by President Abraham Lincoln. The 1986 Grassley-Berman *qui tam* amendments empowered whistleblowers

Grassley Law Recovers Another \$2.8 Billion of Taxpayer Money Otherwise Lost to Fraud

Written by Grassley Press
Friday, 23 December 2011 15:47

to file suit on behalf of the United States against those who fraudulently claim federal funds, including Medicare, Medicaid, contract payments, disaster assistance and other benefits, subsidies, grants and loans.

According to the Justice Department, since the 1986 Grassley-Berman *qui tam* amendments were signed into law, whistleblowers have filed more than 7,800 actions under the *qui tam* provisions, including a peak of 638 this past year.

In 2008 Grassley introduced legislation that would further update the federal False Claims Act. Many provisions of this legislation were included in the Fraud Enforcement Recovery Act that was signed into law in 2009. The legislation overturned several court decisions that threatened to limit the scope and applicability intended by Congress in the 1986 update. Grassley said the update helps ensure that no fraud will go unpunished because of legal loopholes.

Fraudulent claims by defense contractors during the 1980s prompted Grassley’s initiative. Today the *qui tam* amendments also recoup billions that would otherwise be lost to health care fraud. This year alone, most of the \$2.8 billion in recoveries were in the Medicare and Medicaid programs administered by the Department of Health and Human Services, the TRICARE program administered by Department of Defense, the Federal Employees Health Benefits program administered by the Office of Personnel Management, and Veterans Administration health programs.

-30-

FOR IMMEDIATE RELEASE CIV

MONDAY, DECEMBER 19, 2011 (202) 514-2007

[WWW.JUSTICE.GOV](http://www.justice.gov/)

TTY [+18665445309](tel:%28866%29%20544-5309) (866) 544-5309

JUSTICE DEPARTMENT RECOVERS \$3 BILLION IN FALSE CLAIMS ACT CASES IN FISCAL YEAR 2011

Department Sets Records for Recoveries in Health Care and War-Related Fraud Annual Recoveries in Whistle Blower Cases Reach All Time High

WASHINGTON – The Justice Department secured more than \$3 billion in settlements and judgments in civil cases involving fraud against the government in the fiscal year ending Sept. 30, 2011, Tony West, Assistant Attorney General for the Civil Division, announced today. This is the second year in a row that the department has surpassed \$3 billion in recoveries under the False Claims Act, bringing the total since January 2009 to \$8.7 billion – the largest three-year total in the Justice Department’s history.

The \$3 billion total for fiscal year 2011 includes a record \$2.8 billion in recoveries under the whistleblower provisions of the False Claims Act, which is the government’s primary civil remedy to redress false claims for federal money or property, such as Medicare benefits, payments on military contracts, and federal subsidies and loans. The department has recovered more than \$30 billion under the False Claims Act since the act was substantially amended in 1986. The 1986 amendments strengthened the act and increased the incentives for whistle blowers to file lawsuits on behalf of the government. That in turn led to an unprecedented number of investigations and greater recoveries.

“Twenty-eight percent of the recoveries in the last 25 years were obtained since President Obama took office,” Assistant Attorney General West said. “These record-setting results reflect the extraordinary determination and effort that this administration, and Attorney General Eric

Grassley Law Recovers Another \$2.8 Billion of Taxpayer Money Otherwise Lost to Fraud

Written by Grassley Press

Friday, 23 December 2011 15:47

Holder in particular, have put into rooting out fraud, recovering taxpayer money and protecting the integrity of government programs.”

Assistant Attorney General West noted that the \$3 billion recovered this year included \$2.4 billion in recoveries involving fraud committed against federal health care programs. Most of these recoveries are attributable to the Medicare and Medicaid programs administered by the Department of Health and Human Services (HHS). They also include the TRICARE program administered by Department of Defense (DoD), the Federal Employees Health Benefits program administered by the Office of Personnel Management and Veterans Administration health programs.

Fighting health care fraud is a top priority for the Obama Administration. On May 20, 2009, the Attorney General and HHS Secretary Kathleen Sebelius announced the creation of an interagency task force, the Health Care Fraud Prevention and Enforcement Action Team (HEAT), to increase coordination and optimize criminal and civil enforcement. Since January 2009 alone, the department has used the False Claims Act to recover more than \$6.6 billion in federal health care dollars. This is more recovered under the act than in any other three-year period.

The historic \$2.8 billion recovered in whistle blower cases came from suits filed under the *qui tam*, or whistleblower, provisions of the False Claims Act. These provisions allow private citizens, known as relators, to file lawsuits on behalf of the government. In the 25 years since the False Claims Act was substantially amended, whistle blowers have filed more than 7,800 actions under the *qui tam* provisions. *Qui tam* suits hit a peak of 638 this past year, after hovering in the 300s and low 400s for much of the decade.

Assistant Attorney General West thanked the courageous citizens who have come forward to report fraud, often at great personal risk: “We are tremendously grateful to whistle blowers who have brought fraud allegations to the government’s attention and assisted us in this public-private partnership to fight fraud,” he said.

In 1986, Senator Charles Grassley and Representative Howard Berman led successful efforts in Congress to amend the False Claims Act, including enhancements to the *qui tam* provisions to encourage whistle blowers to come forward with allegations of fraud. In this 25th anniversary year of the 1986 amendments, Assistant Attorney General West paid tribute to the bill’s sponsors, saying that “without their foresight, the breadth of the recoveries we announce here today would not have been possible.” He also expressed his gratitude to Senator Patrick J. Leahy, chairman of the Senate Judiciary Committee, and to Senator Grassley and Representative Berman for their support of the Fraud Enforcement and Recovery Act of 2009, which made additional improvements to the False Claims Act and other fraud statutes.

Assistant Attorney General West also applauded Congress’ passage of the Affordable Care Act (ACA) in 2010, which reenforced the government’s ability to redress fraud in the nation’s health care system. Among many other changes, the ACA amended the False Claims Act to provide additional incentives for whistle blowers to report fraud to the government and strengthened the provisions of the federal health care Anti-Kickback Statute.

Enforcement actions involving the pharmaceutical industry were the source of the largest recoveries this year. In all, the department recovered nearly \$2.2 billion in civil claims against the pharmaceutical industry in fiscal year 2011, including \$1.76 billion in federal recoveries and \$421 million in state Medicaid recoveries. These cases included \$900 million from eight drug manufacturers to resolve allegations that they had engaged in unlawful pricing to increase their profits. Additionally, GlaxoSmithKline PLC paid \$750 million to resolve criminal and civil allegations that the company knowingly submitted, or caused to be submitted, false claims to government health care programs for adulterated drugs and for drugs that failed to conform with the

Grassley Law Recovers Another \$2.8 Billion of Taxpayer Money Otherwise Lost to Fraud

Written by Grassley Press

Friday, 23 December 2011 15:47

strength, purity or quality specified by the Food and Drug Administration.

Adding to its successes under the False Claims Act, the department obtained 21 criminal convictions and \$1.3 billion in criminal fines, forfeitures, restitution, and disgorgement under the Food, Drug and Cosmetic Act (FDCA). The FDCA's criminal provisions are enforced by the Civil Division's Consumer Protection Branch.

In addition to health care, the department continued its aggressive pursuit of fraud in government procurement and other forms of financial fraud, including grant, housing and mortgage fraud that emerged in the wake of the financial crisis. In November 2009, President Obama established the Financial Fraud Enforcement Task Force to hold accountable the individuals and corporations who contributed to the crisis as well as those who would claim illegal advantage through false claims for funds intended to stimulate economic recovery. Of the \$3 billion in fiscal year 2011 recoveries, these non-war related procurement and consumer-related financial fraud cases accounted for nearly \$358 million.

Overall, the department recovered \$422 million in fiscal year 2011 in procurement fraud cases, including \$89.3 million in recoveries in connection with the wars in Southwest Asia. This brings civil fraud recoveries in connection with the wars in Southwest Asia since January 2009 to \$153.4 million, and the total amount recovered in procurement fraud cases during that time to \$1.5 billion, again a greater amount than in any previous three-year period.

Assistant Attorney General West expressed his deep appreciation for the dedicated public servants who contributed to the investigation and prosecution of these cases. These individuals include attorneys, investigators, auditors and other agency personnel throughout the Civil Division, the U.S. Attorneys' Offices, HHS, DoD and the many other federal and state agencies. # # #