

Building on the Success of the False Claims Act: Reports Whistleblower Lawyer

/EINPresswire.com/ Whistleblower Lawyer Reports - (JusticeNewsFlash) On the 25th anniversary of the 1986 False Claims Act Amendments last year, the Department of Justice joined in acknowledging the False Claims Act as "the single most important tool that American taxpayers have to recover funds when false claims are made to the federal government, including health care fraud, mortgage fraud, and procurement fraud."

(<http://www.justice.gov/opa/pr/2012/January/12-ag-142.html>) As we celebrate another milestone for the False Claims Act this week - the 150th anniversary of its passage - it is important to recognize not just the importance of the Act itself. It is imperative that we also recognize the catalyst it has become in developing new laws to help in the fight on fraud.

Since 1986, states have drawn heavily on the False Claims Act, adopting their own versions to combat fraud against state and local governments. A total of thirty three states now have state False Claims Act laws of one kind or another. (Some follow the federal model while others do not include a qui tam provision. Still others have adopted legislation to focus on fraud on Medicaid, the state program to provide health care to poor and disabled citizens.)

Congress has also built on its own success and used the concepts of the False Claims Act to draft new laws to incentivize those with knowledge of improper and unlawful conduct to come forward. These laws have led to whistleblower programs at the Internal Revenue Service, the Securities Exchange Commission and the Commodities Futures Trading Commission. The SEC whistleblower program had more than 3,000 tips and gave out its first award last year. Significantly, the SEC awarded the whistleblower the highest percentage available under the law, 30%, for the information which led to the SEC enforcement action. The IRS program has been slower starting, but the massive tax fraud involving UBS which led to a whopping \$104 million whistleblower award last year shows the incredible potential for this program too. When combined with the more than \$30 billion that the False Claims Act has returned to the Treasury since 1987, it's clear that whistleblowing works.

So, as we mark the Sesquicentennial of the law originally designed to go after war profiteers which is now aiding in efforts to go after those who commit healthcare fraud, tax fraud and securities fraud, it seems appropriate to highlight the Department of Defense's current view on whistleblowers as set forth on the DOD's webpage. It states, "whistleblowing is not a 'nice to have' function; it is essential to the national security and defense mission of the Federal government." Happy Birthday, False Claims Act.

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