

New York Moves to Enhance Whistleblower Incentives and Protections

Proposed legislation would provide more whistleblowers with rewards for coming forward with information about fraud says Whistleblower Lawyer

NEW YORK, NY, USA, October 29, 2013 /EINPresswire.com/ -- In recent months, various states -- including Minnesota and Pennsylvania -- have put forth legislative proposals intended to support and reward whistleblowers. Now New York has gone one step further, as that state's lawmakers consider a bill that expands the circumstances under which whistleblower incentives and protections would apply under New York's existing whistleblower law.

The effort in New York further highlights the growing trend among states of leveraging whistleblowers to fight fraud. Across the country, legislatures are looking at the enormous success of the gold standard of whistleblower statutes -- the federal False Claims Act -- and advocating similar systems. The idea: By encouraging insiders with knowledge of fraud to come forward, wrongdoing can be identified and stamped out.

The False Claims Act targets fraud against the government. Whistleblowers who provide information leading to the recovery of improperly paid federal funds are eligible to receive a portion of that recovery -- in many cases, reaching into the millions of dollars. For the government, these incentives have proven an extremely effective way to right costly wrongs. Since the False Claims Act was substantially modified in the mid-1980s, it has led to the recovery of more than \$34 billion. That figure hasn't escaped the states' notice.

"Given the federal government's success, It's really no surprise that states are actively ramping up their own whistleblower statutes," says Jeffrey F. Keller, a founding partner at Keller Grover, a nationally recognized labor and employment law firm, and a veteran whistleblower lawyer.

"Every day, fraud is committed against state governments, and money improperly paid out to health care providers, financial institutions, contractors, and companies that don't play by the rules."

By providing inside information that helps identify those wrongful acts, whistleblowers provide an important public service. "Rewarding them with part of the recovery has been seen time and again to be hugely cost effective," says Keller.

While New York already has its own version of the False Claims Act, the proposed new law -- Bill

S4362 -- would expand the reach of the state's whistleblower incentives and protections. Specifically, it would cover individuals who provide information about violations of the state's banking, insurance, and financial services laws to the New York State Department of Financial Services (DFS). New York's law already allows the state to recover for state income tax fraud. Under the newly proposed provisions, whistleblowers with information on these other kinds of fraud would stand to receive between 10 and 30 percent of any recovery the DFS ultimately obtains based on their information. Whistleblowers also would be protected against retaliatory acts by their employers, such as termination or demotion.

"New York already has a very powerful whistleblower law but it clearly hopes that by expanding its whistleblower incentives and protections, more individuals with inside knowledge of fraud will speak out," says Keller, whose firm has offices in Los Angeles and San Francisco. "Given the federal government's experience, there is good reason to think that this is exactly what will happen. New York will likely see more tips about wrongdoing, more potent enforcement of its laws, and in the end, less fraud. That's a result, of course, that will be good for everyone -- except those who do wrong."

For more information on whistleblower incentives and protections click here to: [Watch Whistleblower Lawyer Video](#)

Jeffrey F. Keller
Keller Grover, LLP
866.486.1537
[email us here](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/174069182>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2024 Newsmatics Inc. All Right Reserved.