

# False Claims Amendment Hurts Small Business

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*A group of Senators headed by Senator Grassley and Senator Leahy propose legislation to weaken the Federal Claims Act (FCA).*

HOUSTON, TEXAS, USA, October 20, 2021 /EINPresswire.com/ -- The backbone of America's economy has long been small businesses. Yet, during the pandemic, we got left behind. I watched as businesses throughout Texas struggled to stay open or closed down altogether.

The hard working men and women of Texas aren't one to complain. We understand that hard times may come, but we can always get through it on our own. Even so, politicians in Washington aren't making the recovery process easy. Instead, they're proposing bills that make small businesses that hold government contracts an easy financial target for greedy trial lawyers.

A group of Senators headed by Chuck Grassley (R-IA) and Patrick Leahy (D-VT) have proposed legislation that would make major changes to the Federal Claims Act (FCA). The FCA became law during the Civil War and has since been used by the government to combat fraud. In 2016, the Supreme Court improved this law by clarifying when the FCA should be used. The Court unanimously agreed that the FCA was not meant to target "garden-variety" contract breaches. Rather, the FCA should be used to rein in cases of real, material fraud that harms taxpayers.

The Grassley-Leahy amendments would look to undermine a unanimous Supreme Court decision. Their legislation subjects small businesses to baseless lawsuits under the FCA over minor breaches of contract. Trial lawyers would endlessly target businesses in efforts to enrich themselves, leaving small businesses to pay precious dollars to defend themselves in these cases.

These changes would alter a system that already works and doesn't need fixing. In the last three years alone, the Department of Justice has brought in \$11 billion dollars from FCA settlements, displaying how the government is continuing to effectively target and rein in fraud.

Above all, Senator Grassley's proposed changes to the FCA would hurt the industries and businesses that have helped our country fight the pandemic. The government has provided hospitals, clinics, research centers, and care facilities with billions of dollars to fight the pandemic. Through his legislation, Grassley would be placing a major target on these various healthcare facilities. Trial lawyers and other bad actors would use the new system to enrich

themselves by filing lawsuits against any organization that makes a minor breach of contract, something the FCA was never designed to do.

Our country is still recuperating from the impact of COVID-19. Government leaders should help the recovery process. Senator Grassley and Leahy's amendments would instead stymie it. We need Texas's Senators to recognize the damage of this legislation and reject it immediately.

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