

Ethikos Volume 34, Number 2, February 01, 2020 U.S. Department of Justice: \$3 billion in recoveries from False Claims Act cases in FY 2019

In January, Assistant Attorney General Jody Hunt of the U.S. Department of Justice's Civil Division announced that the department has "obtained more than \$3 billion in settlements and judgments from civil cases involving fraud and false claims against the government in the fiscal year ending Sept. 30, 2019."

According to the government news release,^[1] "Recoveries since 1986, when Congress substantially strengthened the civil False Claims Act, now total more than \$62 billion."

"The continued success of the department's False Claims Act enforcement efforts are a testament to the tireless efforts of the civil servants who investigate, litigate, and try these important cases as well as to the fortitude of whistleblowers who report fraud," Hunt explained.

The government noted in its press release that, "Of the \$3 billion in settlements and judgments reported by the government in fiscal year 2019, over \$2.1 billion arose from lawsuits filed under the qui tam provisions of the False Claims Act. During the same period, the government paid out \$265 million to the individuals who exposed fraud and false claims by filing these actions.

"The number of lawsuits filed under the qui tam provisions of the Act has grown significantly since 1986, with 633 qui tam suits filed this past year—an average of more than 12 new cases every week.

"'Whistleblowers continue to play a critical role identifying new and evolving fraud schemes that might otherwise remain undetected,' Assistant Attorney General Hunt said. 'Taxpayers have benefitted greatly from these individuals who are often required to make substantial sacrifices to bring these schemes to light.'"

False Claims Act background

The Department of Justice's news release included the following background on the False Claims Act,^[2] "In 1986, Senator Charles Grassley and Representative Howard Berman led the successful efforts in Congress to amend the False Claims Act to, among other things, encourage whistleblowers to come forward with allegations of fraud. In 2009 and 2010, further improvements were made to the False Claims Act and its whistleblower provisions. Congress also included in the False Claims Act authority for the government to dismiss cases that do not advance the goal of fraud prevention, and during the past year the government made increasing use of this tool to help prioritize and protect the expenditure of government resources."

¹ Department of Justice, "Justice Department Recovers over \$3 Billion from False Claims Act Cases in Fiscal Year 2019," news release, January 9, 2020, <http://bit.ly/35ENCeA>.

² 31 U.S.C. §§ 3729–3733.

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