



News

Daniel Purdom Author's Article, "Recent Amendments Significantly Enhance the Power and Reach of the False Claims Act," in Westlaw Journal

April 1, 2011

In 1986 the [False Claims Act](#) was amended to increase damages available to the United States under the original FCA and to add a whistle-blower provision (known as *qui tam*). These two changes revived a statute that was enacted in 1863 to provide restitution to the government for numerous instances of defense contractor fraud against the Union Army during the Civil War.

From 2006 through 2009, the government recovered over \$6.6 billion under the FCA. States have been encouraged to enact their own false-claims laws. To date, at least [29 states](#) have enacted such statutes.

Insurance companies have also seen the effectiveness of the FCA and have successfully encouraged legislatures to enact insurance-related false-claims laws in numerous states. These statutes essentially mirror the FCA provisions.

In response to some court decisions that narrowed the breadth of the FCA and to address other issues that have arisen under the FCA, Congress recently enacted two laws to amend and clarify provisions of the FCA. These statutes have expanded the power of *qui tam* relators (whistle-blowers) and the government in using the FCA as a powerful weapon.

The [Fraud Enforcement and Recovery Act](#), enacted May 20, 2009, and the [Patient Protection and Affordable Care Act](#), enacted March 23, 2010, have broadened governmental power and made it easier for the government and *qui tam* relators to successfully prosecute FCA claims.

This article will briefly address the FCA as amended in 1986. It will then review the changes fostered by [FERA](#) and [PPACA](#). Although the focus will be on health care, any company or person who deals with the government, government grants, government contracts or government programs needs to be aware of these changes.

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