

President Obama Signs Landmark False Claims Act Anti-Fraud Bill

The “Abe Lincoln Law” is Amended for the 21st Century—A Better Tool for Taxpayers, Whistleblowers and the Government to Fight Fraud

Today, President Barack Obama signed into law the Fraud Enforcement and Recovery Act (FERA), strengthening the Department of Justice’s ability to pursue fraud claims against those who cheat the Federal Government.

The Amendments come at a welcome time, when whistleblowers seeking to report fraud against the Government want to help the Department of Justice recover billions of dollars in defense contracting, Medicare and Medicaid, and other fraud scheme. “With these amendments, the False Claims Act will provide the way to more effectively attack and prosecute unscrupulous contractors who bilk the Government,” said Ann Lugbill, a Cincinnati attorney who is counsel to the law firm of Murphy Anderson, an active member of Taxpayers Against Fraud and co-author of the book, *False Claims Act: Whistleblower Litigation*.

“This Lincoln Law amendment is appropriately passed in the 200th anniversary year of the birth of Abraham Lincoln, the father of the False Claims Act,” remarked Lugbill.

FERA was passed by strong and bipartisan majorities in the Congress, representing the first significant amendment to the False Claims Act since 1986, when President Reagan signed modernizing legislation to the venerable law.

The new False Claims Act as amended makes clear that subcontractors cheating the government are liable under the False Claims Act and gives the U.S. Department of Justice additional abilities to fight fraud.

The False Claims Act works by paying a bounty to those whistleblowers who come forward and file a lawsuit, in partnership with the U.S. Government to recover funds that fraudulent contractors have received from the Government. The False Claims Act has been responsible for over \$ 20 billion in recoveries from fraudulent contractors, since the 1986 Amendments. In virtually every year since 1986, recoveries have increased over the prior year. Over 1,000 False Claims Act cases are believed to be pending under seal, awaiting increased Government resources, agents, and lawyers to prosecute the fraudulent contractors.

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