



The federal False Claims Act imposes liability on persons and companies who defraud federal government programs. False Claims Act lawsuits can be initiated by the government or by individual whistleblowers, known as “qui tam” plaintiffs or “relators.” Whistleblowers are incentivized by potential bounties of between 10 and 30 percent of the government’s recovery in a False Claims Act case. The False Claims Act currently imposes mandatory statutory penalties ranging from a minimum of \$10,957 to \$21,916 per claim.

What is more, the False Claims Act requires a court to treble the amount of actual damages caused by the violations. As a result, companies can quickly face multimillion-dollar liability for knowingly presenting false claims to the government. In fact, 2016 marked the seventh year in a row that the federal government recovered over \$3 billion in civil settlements and judgments under the False Claims Act (with a record \$5.7 billion recovery in 2014). In addition to facing monetary penalties, individuals and companies can face exclusion from government programs (such as Medicare, Medicaid, and the ability to bid on government contracts) as well as criminal liability for False Claims Act violations. Most states, including many of those in which Parker Poe’s clients are located, have their own state False Claims Acts, potentially subjecting individuals and companies to additional liability.

Parker Poe has a robust False Claims Act investigations and defense practice, including attorneys from our government investigations, litigation and health care groups. Our attorneys have experience handling matters on behalf of the government as well as in private practice, including a former federal prosecutor who prosecuted major health care False Claims Act matters. Our team has experience serving clients in a variety of industries, including health care and life sciences (defending, among other things, the Anti-Kickback Statute, Stark Law and upcoding violations), defense contracting, and the financial services industry (housing or mortgage fraud). We have a proven track record of success helping clients prevent state and federal False Claims Act violations to begin with, as well as avoiding prosecution and negotiating reduced fines and penalties when such violations do arise.

## REPRESENTATIVE EXPERIENCE

- Represented health care provider in a False Claims Act case filed by a former employee alleging more than \$90 million in damages based on alleged false claims submitted to Medicare, Medicaid and TRICARE. Parker Poe’s internal investigation was able to disprove the relator’s allegations and the case was dismissed and the investigation closed after Parker Poe presented the findings of its internal investigation to the Department of Justice and the U.S. Attorney’s Office for the Eastern District of North Carolina.
- Represented physician who was the target of a criminal investigation and a defendant in a False Claims Act case related to allegations of upcoding and billing for services allegedly rendered to deceased patients. No criminal charges were filed and the False Claims Act case was settled on very favorable terms after Parker Poe conducted an investigation and was able to prove the government’s allegations were largely based on mistaken patient identity and billing errors by a third party.



## False Claims Act Investigations & Whistleblower Defense



- Successfully defended construction company accused by a whistleblower of allegedly participating in Service-Disabled Veteran Operated Small Business (SDVOSB) program in civil False Claims Act litigation.
- Successfully defended defense contractor in False Claims Act investigation conducted by the U.S. Department of Justice and the Department of Defense relating to the training of contractor personnel to be deployed overseas. The government dropped the investigation after being presented with the findings of our team's internal investigation.
- Representing the former chief operating officer of a chain of skilled nursing facilities in a False Claims Act investigation. The Department of Justice and the U.S. Attorney's Office are investigating allegations that the skilled nursing facilities violated the Stark Law by compensating physicians based on the volume of their referrals and violated the False Claims Act by billing for therapy that was not reasonable or medically necessary.
- Representing numerous health care providers in False Claims Act investigations by the Medicaid Investigations Unit of the North Carolina Attorney General's Office.
- Prepared and conducted audits for pharmaceutical and biotech companies identifying regulatory areas of key practices which pose business risk and legal liability exposure under the False Claim Act.
- Provided training and counseling to pharmaceutical and biotech companies to prevent and correct practices which pose business risk exposure and legal liability under the False Claims Act.
- Advised, counseled and assisted in the defense of pharmaceutical and biotech companies in False Claim Act litigation involving off-label usage and PBM/GPO arrangements.