

Federal Contracting News

DOJ Received Over \$2.2 Billion in False Claims Act Cases in 2020

By Daniel Seiden

Jan. 14, 2021, 3:31 PM

- Drop from 2019 reflects 'thin' DOJ resources, attorney says
 - \$1.8 billion of \$2.2 billion from health care industry cases
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The U.S. Justice Department recovered over \$2.2 billion from False Claims Act cases in 2020, \$1.8 billion of which involved health care industry cases.

The DOJ has now recovered more than \$64 billion under the FCA since Congress's 1986 amendments to the act, the DOJ said in a Thursday announcement.

Whistleblowers filed 672 suits in 2020, and the DOJ recovered over \$1.6 billion in these and earlier-filed suits, the DOJ said.

The \$2.2 billion amount is a drop from the \$3 billion recovery in 2019. But this decrease is an "anomaly," and could be explained by the timing of settlements, said Douglas W. Baruch of Morgan Lewis in Washington, who represents contractors.

The \$2.2 billion amount doesn't include settlements totaling billions of additional dollars that aren't yet final or didn't become final before the end of the fiscal year, the DOJ said.

The DOJ reached a resolution with Purdue Pharma on Oct. 21, 2020, providing the government with an allowed, unsubordinated, general bankruptcy claim of \$2.8 billion to resolve allegations related to opioid prescriptions, it said.

A lack of resources could also explain the decrease.

"Based on our experience in several pending qui tam cases, the DOJ is stretched thin in these cases. There are not investigative and litigation resources for the government to meet the increasing demands of high quality qui tam whistleblower cases," said David Colapinto of Kohn, Kohn & Colapinto LLP in Washington, a law firm that represents whistleblowers.

The decrease is reflective of the Trump administration diverting resources to street crime and away from corporate fraud, according to Reuben A. Guttman of Guttman, Buschner & Brooks PLLC, a firm that represents whistleblowers.

The Trump administration “didn’t appoint U.S. Attorneys that put an emphasis on affirmative civil enforcement,” he said.

Some other notable 2020 recoveries in the DOJ’s announcement include:

- Novartis Pharmaceuticals Inc. paid over \$591 million to resolve allegations it paid kickbacks to induce drug prescriptions;
- Bechtel National Inc., AECOM Energy & Construction Inc., and others agreed to pay over \$57 million to resolve allegations they charged inflated labor hours and billed for work not performed under a Department of Energy contract; and
- Unitrans International Inc. agreed to pay \$27 million to resolve allegations it fraudulently induced the Army and Defense Logistics Agency to award food contracts.

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