

Qui Tam Whistleblower Legal NEWS

Re: Qui Tam Cases In Fiscal Year 2011

McInnis Law
Timothy J. McInnis, Esq.
521 Fifth Avenue, 17th Floor
New York, NY 10175-0038
212-292-4573 – 917-903-9424
www.WhistleblowerLegal.com
TMcInnis@McInnis-Law.com

Qui Tam Whistleblowers Celebrate A Banner Year, Receiving More Than \$530 Million in Rewards for \$3 Billion Recovered

(New York City) — Qui Tam Whistleblowers across the country helped U.S. taxpayers celebrate another banner recovery year, receiving more than \$530 million in rewards for helping the federal government recover nearly all of the \$3 billion it obtained in under the False Claims Act (“FCA”), in Fiscal Year 2011 (FY 2011), Whistleblower Attorney Timothy J. McInnis of McInnis Law announced.

For stepping forward to report false federal billing, usually after failed attempts to get the false billing corrected internally, Qui Tam Whistleblowers helped the government recover \$2.8 billion from October 2010 through September 2011, the federal fiscal year.

And, in helping to return billions to taxpayers, whistleblowers received a total of \$532,193,735, according to the U.S. Department of Justice’s Civil Division.

The original False Claims Act passed during the Civil War was designed to help stop unscrupulous suppliers from selling defective food, weapons, ammunition and other war materiel to the Union, and included Qui Tam provisions that allowed those who reported fraud to be paid from the Government’s recovery.

Today’s Qui Tam Whistleblowers’ share in federal FCA recoveries can range from 15 to 25 percent for a successful government settlement, and up to 30 percent when the whistleblower prosecutes the case alone.

The term, “Qui Tam” is derived from the Latin phrase, “Qui tam pro domino rege quam pro se ipso in hac parte sequitur,” meaning “who as well for the king as for himself sues in this matter.” The federal Qui Tam statute stems from Old English law that allowed subjects to sue on behalf of the king and himself. A whistleblower under the False Claims Act legally is referred to as a “relator.”

Through December 2011, which includes three FY 2012 months, the Civil Division of the U.S. Department of Justice (“USDOJ”) has recovered False Claims Acts payments totaling \$8.7 billion, the largest three-year total in USDOJ history, according to an Office of Public Affairs news release.

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The federal FCA celebrated a major milestone this past February: a quarter century since the act was strengthened to enhance awards to whistleblowers and protect them. The 1986 amendment to the FCA, championed by Senator Charles A. Grassley, of Iowa, and Rep. Howard L. Berman, of California, allowed the government to recover damages up to three times the amount it was defrauded and also sweetened the pot as an incentive for whistleblowers to come forward.

As a result of the '86 amendment and the 2009 passage of the Fraud Enforcement and Recovery Act which improved the FCA and other federal fraud statutes, taxpayers have been able to recover \$30 billion that otherwise might not have been returned from false billing for goods and services.

The lion's share of FY 2011 major recoveries were pharmaceutical industry settlements, including \$1.76 billion in federal recoveries and state Medicaid recoveries of more than \$421 million. Some \$900 million came from settlements by eight drug manufacturers that resolved unlawful pricing allegations.

Among more than 100 whistleblower settlements in FY 2011 according to Taxpayers Against Fraud Education Fund ("TAF"), the Washington, D.C.-based national Qui Tam bar, are \$600 Million by GlaxoSmithKline and a subsidiary; \$421 million by Abbott Laboratories Inc., B.Braun Medical Inc., Roxane Laboratories Inc. (Boehringer Ingelheim Roxane Inc.) and affiliated entities; \$280 million by Dey Inc., Dey Pharma L.P. (formerly known as Dey, L.P.) and Dey L.P. Inc.; and \$241 million by Quest Diagnostics. (<http://www.taf.org/total2011.htm>.)

TAF is predicting that FY 2012 could be a monster year for FCA settlements, McInnis noted. Whistleblowers could be rewarded with at least \$1.45 billion if the more-than-\$9 billion-predicted settlements are resolved at the lowest reward, rate, i.e. 15 percent.

McInnis is a long-time TAF member who over the years has lectured or led panel discussions at the organization's annual conferences in Washington, presented CLEs in New York and elsewhere, and testified before New York City Council on Empire State and New York City False Claims Acts.

Retaining a well-seasoned Qui Tam Whistleblower attorney is vital to whistleblowers who wish to prevail in their cases and obtain the highest possible awards, McInnis said. "The federal and legal landscapes are constantly changing. Whistleblowers need the counsel of experienced attorneys who know the law, the FCA legal process, and how to help maximize the possibility of a successful settlement."

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As a former federal prosecutor who maintains close contact with U.S. Attorney offices and the federal agencies that investigate Qui Tam Whistleblower cases under the FCA, McInnis is a well-versed and highly experienced in Qui Tam Whistleblower law and procedure. He left the since leaving the U.S. Attorneys Office to establish his whistleblower practice in 1999.

In addition to the federal FCA, 29 states, New York City , Chicago and Allegheny County, Pennsylvania have similar Qui Tam statutes to reward whistleblowers who expose fraud and false billing.

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