

Qui Tam

The purpose of the Qui Tam law is to encourage those with knowledge of fraud against the government to become whistleblowers and report the misuse of public funds by companies and individuals such as pharmaceutical companies, military contractors, hospitals and doctors. In exchange for reporting fraud and because of the risks and work involved in bringing Qui Tam action, the whistleblower can receive up to 30 percent of any recovery the government receives following a trial or settlement. Qui Tam is the abbreviation of a Latin term meaning “he who sues in this matter for the king as well as for himself.” Thus, suits are filed by the individual on behalf of the government in an attempt to recover misused funds even if the individual has not been affected by the fraud. In such cases the whistleblower is referred to as the “relater” because he or she “relates” information regarding fraud against the government. The whistleblower in a Qui Tam action is typically someone with access to financial information who can prove the defendant intentionally deceived the government in order to receive more money than it was owed or to pay out less money than it owed. The most common Qui Tam cases involve fraud against government health care programs – billing Medicaid and Medicare for services not performed, equipment never purchased, etc. Qui Tam action is typically brought in relation to the following sectors:

Military contracts

Government suppliers

Oil leasing

Education

Municipal bonds

Agricultural subsidies

Environmental programs

Loan guarantees

Research programs

Qui Tam cases are brought under the various state and federal False Claims Acts. The individual bringing the suit generally receives 15-25 percent of the recovery if the government joins the action and closer to 30 percent if the government decides against joining the suit. There are also provisions in the False Claims Act that allow individuals to recover expenses and attorney fees. Only one individual is permitted to file a lawsuit for a particular allegation of fraud. If an individual makes the information public but does so without filing suit, another individual can do so and prevent the initial whistleblower from receiving a share of the recovery. This requirement was included in the False Claims Act to ensure only one individual capitalizes on the financial incentive of bringing a Qui Tam action. Employers are not permitted to retaliate in any way against an employee who reports fraud. It is in violation the False Claims Act to fire, demote or deny benefits to a whistleblower. Doing so can result in a

retaliation suit as part of the Qui Tam suit. If it is found that retaliation did occur, the employee can be reinstated and receive back pay, additional pay and have litigation and attorney fees paid. Whistleblowers provide an important public service in uncovering and reporting fraud against the government because, ultimately, taxpayers are the ones who absorb the cost of fraudulent claims. While bringing allegations of fraud against a billion-dollar corporation can be intimidating, it can also be worthwhile since the result can save taxpayers billions. The government has recovered more than \$17 billion from Qui Tam actions and associated whistleblowers have been awarded more than \$3 billion. Recently, a former quality assurance manager at pharmaceutical giant received \$96 million of a \$750 million settlement paid by the company for allegedly submitting false claims regarding drug safety. The company allegedly sold contaminated baby ointment, non sterile anti-nausea medication for cancer patients, anti-depressant tablets that lacked the effective ingredient, and super-potent and sub-potent diabetes tablets. The settlement, which represents the largest Qui Tam settlement in history, shows the important role whistleblowers can play in assisting the public from financial and health standpoints – not to mention the potential monetary incentive for doing so. Our experienced attorneys have the capabilities and knowledge to assist whistleblowers before and during Qui Tam action as well as during any related retaliation suit. We're committed to protecting individuals and government agencies from various kinds of corporate fraud and will work with whistleblowers to achieve long-term goals and put an end to fraudulent practices.