

## State and Federal Whistleblower Rewards for Reporting Fraud

Federal and State whistleblower rewards are paid for reporting fraud against the government, such as Medicare or military fraud. Congress authorized the government to pay whistleblower rewards for reporting fraud of between 15% and 30% of the amount of money the federal government collects based upon a whistleblower's information. Most States also pay whistleblower rewards for reporting fraud against a State government.

### *How Whistleblowers get Rewards*

To be eligible for a State or Federal whistleblower reward for reporting fraud against the government, a whistleblower must follow very specific and precise steps. A single mistake can render a whistleblower ineligible for a reward.

This article tells whistleblowers how to get whistleblower rewards for reporting fraud against the State or Federal government.

#### *1. Whistleblower Rewards are not Paid for Calling Hotlines*

A whistleblower cannot simply call a hotline to be eligible for a whistleblower reward. Even if a whistleblower reports everything they know to a State or Federal government agent and uses his real name, a whistleblower will not get a reward. That's because whistleblower rewards for reporting fraud against the government are governed by a statute that requires that you report fraud in a very specific manner, as explained below.

#### *2. Whistleblower Rewards are Paid for Filing a Civil Suit on behalf of the State or Federal Government*

To get a whistleblower reward for reporting fraud against the State or Federal government, you must hire an attorney and file a *qui tam* civil lawsuit that alleges the fraud being committed against the government. A whistleblower must hire an attorney, usually on a contingency basis, to file the whistleblower reward application as part of the *qui tam* lawsuit.

Because of the risks to being a whistleblower, you should talk to an attorney experienced with whistleblower reward cases before you blow the whistle. There is a lot for a whistleblower to consider before applying for a reward.

### *3. Whistleblower Rewards are Paid for Detailed Information*

The government turns away almost 80 percent of whistleblower reward applications. That means even if you follow the right format, there is more you must do to get a whistleblower reward. The government is looking for very specific and very detailed allegations of fraud against the government. It is not enough for a whistleblower to suspect fraud. To get a whistleblower reward a whistleblower must provide detailed evidence that proves fraud against the government. Typically, a whistleblower is an insider or someone who worked for the company committing fraud. Even if they were asked to participate in the fraud, whistleblower rewards are paid as long as the whistleblower did not plan or initiate the fraud. In fact, the best whistleblowers often are those that know how the fraud scheme worked because they were asked to participate.

### *4. Whistleblower Reward are Paid for Reporting Fraud Against the State or Federal Government*

Whistleblower rewards are only paid for reporting fraud against the government. If someone commits fraud against a hospital, shareholder, or citizen, the main government whistleblower reward program does not apply or pay any rewards. Under the False Claims Act, whistleblower rewards are only paid for reporting fraud against the government, such as Medicare, the military, Homeland Security, the Post Office, or any other federal agency. In addition, over 20 States have similar False Claims Act that pays whistleblower rewards for reporting fraud against a State.

### *5. Whistleblower Rewards are Paid from Funds Recovered*

The amount of a whistleblower reward for reporting fraud against the government is a portion of the actual amount the government recovers based on a whistleblower's allegations of fraud. For instance, if a whistleblower alleges a company cheated Medicare by \$10 million but the government only collects \$1 million, the whistleblower reward will be between 15 and 30 percent of the \$1 million. Therefore, the more detailed and specific a whistleblower's allegations are the more likely the government will collect a larger amount and pay a larger whistleblower reward.

Because whistleblowers will have to pay taxes and give a portion to his attorney as a contingency fee for filing the *qui tam* suit, it may not be worth your time unless the amount of fraud against the government is in the millions of dollars. To receive a million dollar whistleblower reward from the government (before taxes and attorney fees), the amount of fraud against the government needs to be \$7 million.

### *6. A Quick Example of Applying for a Whistleblower Reward*

This website walks you step-by-step through the process of filing for a whistleblower reward and shows you how to apply for a monetary reward. But here is a short example of how to seek a whistleblower reward for reporting fraud against the government.

If someone defrauds Medicare, such as routinely billing for services not provided, they are liable to the government to repay three times the amount.

If you work for the company that is cheating, a whistleblower's first step in applying for a whistleblower reward is to contact an experienced False Claims Act attorney to assess the case. But you should not delay because only the first whistleblower to report the fraud is eligible for a reward. A whistleblower can decide not to report the fraud after talking to an attorney and learning of the risks of becoming a whistleblower.

Once a whistleblower's attorney files a *qui tam* lawsuit and thereby applies for a whistleblower reward, the government agency that was defrauded evaluates the whistleblower's allegations. This process takes between 6 months and 3 years. If the government informs the whistleblower that it will pursue the fraud allegations, in over 90% of cases a whistleblower receives a reward for reporting fraud against the government. The amount of the whistleblower reward is between 15 and 25 percent of what the government actually collects.

The website of The Hesch Firm provides more details regarding what it takes to apply for a whistleblower reward for reporting fraud against the State or Federal government and how to ask Mr. Hesch to review your case in confidence. Mr. Hesch devoted over 15 years as an attorney with the U.S. Department of Justice in the Civil Fraud Section in Washington, D.C., which is the office with nationwide responsibility over the whistleblower reward program. Mr. Hesch now exclusively represents whistleblowers apply for rewards for reporting fraud against the State or Federal government.

Visit his website at [www.HowToReportFraud.com](http://www.HowToReportFraud.com) to find out if Mr. Hesch can represent you in filing for a reward for reporting fraud against the State or Federal government.