

## ***What is the civil False Claims Act and how does the federal or State civil False Claims Act work?***

This article answers the questions, “What is the civil False Claims Act?” and “How does the federal and State civil False Claims Acts work?”

The federal civil False Claims Act is a federal statute or law enacted by Congress 150 years ago, but was modified in 1986 to make it more relevant and powerful. The civil False Claims Act is very effective. Since 1986, the federal government has recovered more than \$25 billion and paid out over \$10 billion in whistleblower rewards. More than 30 States have enacted civil False Claims Acts.

With respect to the federal civil False Claims Act, the Department of Justice (DOJ) in Washington D.C. has primary jurisdiction and oversight of the program. What makes the civil False Claims Act so valuable is that it permits the DOJ to pay rewards to whistleblowers. The DOJ is unable to detect fraud without the help of whistleblowers and only 20% of fraud cases occur without whistleblowers bringing civil False Claims Act cases.

Under the civil False Claims Act, DOJ pays rewards of between fifteen and twenty-five percent of the funds it recovers based upon a whistleblower bringing a civil False Claims Act case.

To be eligible for a reward under the civil False Claims Act, you must hire an attorney to file a *qui tam* suit under the False Claims Act against the company cheating the government. The DOJ is allowed time to investigate the allegations and decide whether to take over the civil False Claims Act case. If it does, the person filing the civil False Claims Act is eligible for a reward. It is worth noting that it is not enough to simply report the fraud to the government. You must have an attorney (on a contingency basis) actually file the civil False Claims Act lawsuit that is often called a “*qui tam*” suit. It is important to follow all of the other DOJ and court procedures because most cases are rejected for a number of reasons. Therefore, you should select a lawyer that has extensive experience with the civil False Claims Act.

The amount of any reward under the civil False Claims Act is based on a percentage of the funds the government actually recovers. Thus, the bigger the civil False Claims Act case, the bigger the reward.

The civil False Claims Act pays rewards for reporting fraud against any government program, contract or grant. The civil False Claims Act also requires the wrongdoer to pay three times the amount of money they cheated the government.

Because there are risks associated with being a whistleblower, you should talk to a lawyer experienced with the federal or State civil False Claims Acts before doing anything. Your

discussions with a lawyer are free and confidentially, even if don't end up filing for a reward under the civil False Claims Act.

Visit the author's website at [www.HowToReportFraud.com](http://www.HowToReportFraud.com) which has more information about what is the civil false claims act and how to apply for a whistleblower reward. You can ask Mr. Hesch to examine in confidence your potential civil False Claims Act case and help you decide if you should file for a reward under the federal or State civil False Claims Acts.