

Government Turns Up the “Heat” on Health Care Fraud

Recently, the United States Department of Justice announced that, in the fiscal year ending September 30, 2012, it obtained \$4.9 billion in settlements and judgments in investigations commenced under the False Claims Act involving fraud against the government. This figure is a record recovery for a single year and brings total recoveries since 2009 under the False Claims Act to \$13.3 billion, an amount which is the largest four-year total in Justice Department’s history and represents more than a third of all recoveries since the Act was last amended in 1986.

The federal government continues to place a high priority on fighting health care fraud. In 2012, monetary recoveries under the False Claims Act involving health care fraud alone topped \$3 billion for the first time in a single fiscal year. The year 2012 is the second straight year in which a new record for health care fraud recoveries has been set. The Health Care Fraud Prevention and Enforcement Team (HEAT), an interagency task force created in 2009 to coordinate and maximize criminal and civil enforcement of suspected health care fraud, has greatly contributed to these historic results and led to more investigations. We expect this torrid pace of investigations and recoveries to continue and actually increase in 2013 and beyond.

The False Claims Act is a very potent weapon in the government’s escalating fight against fraud, and against health care fraud in particular. Many false claims actions are commenced by private citizens who file lawsuits alleging false claims on the government’s behalf, under the act’s whistleblower (qui tam) provisions. If the government intervenes and prevails in the action, the private citizen whistleblower can receive up to 30% of the monetary recovery. These increased incentives for whistleblowers have led to an unprecedented number of investigations under the act, which can be both criminal and civil. Last year alone, 647 qui tam lawsuits were filed in the federal courts by whistleblowers.

Our firm’s attorneys have extensive experience representing health care providers in civil and criminal False Claims Act investigations. For more information about health care fraud, please contact Alfredo F. Mendez, Esq., Director of our White Collar Criminal Defense and Governmental Investigations Department, at (212) 279-9200, or your attorney contact at our firm.

“Alfredo F. Mendez is Managing Partner of our Manhattan Office and the Director of the firm’s White Collar Criminal Defense and Governmental Investigations Department. A talented litigator and well-credentialed former federal and state white-collar prosecutor with more than three decades of experience, Mr. Mendez concentrates his practice in all aspects of White Collar Criminal Litigation and Health Care Fraud. He was recently selected by his peers as a Super Lawyer in the New York Metro area in White Collar Criminal Defense.”