



**Department of Justice**

Office of Public Affairs

FOR IMMEDIATE RELEASE

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## **Justice Department Celebrates 25th Anniversary of False Claims Act Amendments of 1986**

### **Considered Single Most Important Tool U.S. Taxpayers Have to Recover Funds Lost Due to Fraud Against the Government**

The Justice Department today celebrated the 25<sup>th</sup> anniversary of the 1986 amendments to the False Claims Act. The False Claims Act has been called the single most important tool that American taxpayers have to recover funds when false claims are made to the federal government, including health care fraud, mortgage fraud, and procurement fraud.

“In the last quarter century, the False Claims Act’s success has been unparalleled with more than \$30 billion dollars recovered since it was amended in 1986 and \$8.8 billion since January 2009,” said Attorney General Eric Holder. “In these challenging economic times when resources are scarce, government budgets are being tightened and so many Americans are forced to do more with less, the need to act as sound stewards of every taxpayer dollar has never been more clear or more urgent. The Department of Justice has achieved record recoveries in recent years and we will continue to aggressively pursue those who would take advantage of their fellow citizens.”

The False Claims Act was originally passed by Congress during the administration of President Abraham Lincoln in 1863 to help the government recover federal funds stolen through fraud by U.S. government contractors. During the Civil War, the law was used to recover monies from unscrupulous contractors who sold the Union Army decrepit horses and mules in ill health, faulty rifles and ammunition, and rancid rations and provisions.

In 1986, Senator Charles Grassley and Representative Howard Berman led successful efforts in Congress to amend the False Claims Act. The amendment permitted the government to seek treble damages and revised the statute’s *qui tam*, or whistleblower, provisions to increase the incentives for whistleblowers to come forward with allegations of fraud. Since those changes were enacted, the Justice Department has recovered more than \$30 billion under the act.

On this, the 25<sup>th</sup> anniversary of the 1986 amendments, Tony West, Assistant Attorney General of the Civil Division of the Department of Justice, paid tribute to the bill’s sponsors, thanking them for “their foresight in providing the Department with this powerful tool to fight fraud, waste and abuse.” He also expressed his gratitude to Senator Patrick J. Leahy, Chairman of the Senate Judiciary Committee, and to Senator Grassley and Representative Berman for their support of the Fraud Enforcement and Recovery Act of 2009, which made additional improvements to the False Claims Act and other fraud statutes.

“ One need look no further than the record recoveries this department has obtained in civil fraud cases to demonstrate the tremendous importance and effectiveness of the False Claims Act,” said Assistant Attorney General West. “That framework was put in place in 1986, but our successes would not have been possible without the ongoing efforts and collaboration of career civil servants, private counsel, and, of course, the whistleblowers who come forward to report fraud.”

In FY 2011 alone, the Department of Justice secured more than \$3 billion in settlements and judgments in civil cases involving fraud against the government. Since January 2009, the department has recovered \$8.8 billion under the False Claims Act – the largest three-year total in the Justice Department’s history, and 28 percent of all recoveries since the False Claims Act was amended in 1986.

Among the top settlements the government has achieved since the passage of the 1986 amendments are the following, which include, in some cases, criminal and state civil recoveries: \$2.3 billion – Pfizer Inc. (2010); \$1.7 billion – Columbia/HCA I & II (2000 and 2003); \$1.415 billion – Eli Lilly and Company (2009); \$950 million – Merck Sharp & Dohme (2011); \$923 million – Tenet Healthcare Corporation (2006); \$875 million – TAP Pharmaceuticals (2002); \$750 million – GlaxoSmithKline (2010); \$704 million – Serono, S.A. (2005); \$650 million – Merck (2008); and \$634 million – Purdue Pharma (2007).

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