
JUSTICE NEWS

Attorney General Eric Holder Speaks at the 25th Anniversary of the False Claims Act Amendments of 1986

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Thank you, Tony [West], for your kind words – and for the outstanding work that you and your colleagues across the Civil Division are leading. I'd also like to thank Elizabeth [Rinaldo] and Virginia [Lum] for sharing their talents with us, and helping to make today's ceremony so special.

It is a privilege to join you all in welcoming our distinguished guests, Senator [Patrick] Leahy and Congressman [Howard] Berman – and each of today's panelists. Thank you for sharing your time and considerable expertise with us, as we celebrate the 25th anniversary of the 1986 amendments to the False Claims Act.

I'm also delighted to welcome so many friends and former colleagues back to the Department, including former Deputy Attorney General, David Ogden; former Deputy Attorney General, Mark Filip; former Solicitor General Seth Waxman; former Assistant Attorneys General – and Acting Attorneys General – Peter Keisler and Stuart Gerson; and several other former AAGs and key leaders. Would each of you – and all of the former Department employees who are with us today – please stand so we may recognize you?

This entire group, and so many of the people in this Great Hall, have played an important role in strengthening the tradition that we celebrate today. For nearly 150 years – since its initial passage during the Lincoln Administration – the False Claims Act has provided ordinary Americans with essential tools to combat fraud, to help recover damages, and to bring accountability to those who would take advantage of the United States government – and of American taxpayers. When President Lincoln enacted this legislation – at the height of the Civil War – he correctly predicted that it would be instrumental in preventing unscrupulous companies from reaping enormous profits at the expense of the Union Army. And, for more than three quarters of a century, it continued to serve as a check against fraudulent activity.

Unfortunately, at another moment of great trial for this nation – during World War II – a series of fundamental changes to the False Claims Act narrowed its scope and rendered it significantly less effective. But, as government contracts – both large and small – continued to be awarded, the need for robust protections remained. And, by the mid-1980s, a bold group of Congressional leaders decided, once again, to take action.

On Capitol Hill, Congressman Berman was among those who launched a bipartisan, bicameral effort to amend the False Claims Act. These policymakers set out to restore its original intent, to bolster its effectiveness, and to make crucial updates that would bring the so-called “Lincoln Law” into the 21st century. With influential cosponsors like Senator Leahy, they pushed for an extended statute of limitations, and for critical new whistleblower protections – and plaintiff incentives – designed to empower citizens to hold fraudsters accountable. And they successfully advocated for the government's right to pursue treble damages.

Since the day that President Reagan signed these bipartisan amendments into law in 1986, their impact has been nothing short of profound. Over the last quarter century, the Department of Justice has recovered more

than \$30 billion under the False Claims Act. Whistleblowers have filed nearly 8,000 actions – including a record high of 638 in the past year alone. And we can all be proud to that, in 2009, a series of additional updates made this law even stronger – and more responsive to evolving challenges.

With the passage of the Fraud Enforcement and Recovery Act of 2009 – which was championed by Senator Leahy and Congressman Berman – and signed into law by President Obama – the Justice Department’s ability to utilize the False Claims Act to root out fraud was substantially improved. The Affordable Care Act included further advancements. And, since the beginning of this Administration, these provisions have been put to good use – and provided important protections for American taxpayers.

I’m proud to report that, over the past three years, the Department has recovered \$8.8 billion under the amended False Claims Act – which is more than a quarter of all recoveries since 1986, and the largest three-year total on record. In the last fiscal year alone, we secured more than \$3 billion in settlements and judgments in civil cases involving fraud against the government – the vast majority of which concerned health-care fraud, and nearly all of which were recovered under FCA’s whistleblower provisions. This marked the second year in a row that we’ve reached such a high total. And it proves, not only the effectiveness of the tools that today’s honored guests helped to design and enact – but also this Department’s commitment to aggressively utilizing them.

As many of you know, last year, we reached settlements with major pharmaceutical manufacturers that had forced the government to overpay for important drugs; with a contractor that sold expired or soon-to-be expired food to American troops serving in Iraq; and with a number of companies involved in the manufacture and sale of defective bulletproof vests.

Some of these actions may have saved lives. All of them saved money. And – taken as a whole – this remarkable track record represents a wide-ranging effort to eradicate the scourge of fraud from some of government’s most critical programs.

Without question, the success we’ve seen in recent years is encouraging. But, in addition to celebrating these accomplishments, today presents an important opportunity to think about where we go from here. We have more to do. And our future progress will depend on the continued vigilance of the American people, on the committed work of attorneys and investigators throughout this Department, and on the willingness of the public servants in this room to persist in the face of significant obstacles.

Particularly in these challenging economic times – when resources are scarce, government budgets are on the chopping block, and so many of us have been asked to do more with less – the need to act as sound stewards of every taxpayer dollar – and to aggressively pursue those who would take advantage of their fellow citizens – has never been more clear or more urgent.

But I know that the strength of our resolve is equal to the breadth of our mandate. And, as I look out over this crowd, I cannot help but be optimistic about where your efforts will lead us over the next 25 years.

Thank you all, once again, for everything you’ve already helped to accomplish – and for the essential work you continue to advance each day.

Speaker:
Attorney General: Eric H. Holder, Jr.

Office of the Attorney General

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