

VII. THE SUCCESS OF THE UNITED STATES FALSE CLAIMS ACT 1986-2012

The Number of False Claims Act Cases has Increased Substantially.

For a frame of reference, in 1988, even after the False Claims Act 1986 Amendments, the number of false claims act cases brought by the entire federal Government was only 60 cases that year.⁺⁺⁺⁺⁺

- Based on data from 2008-2012, including a recent Freedom of Information Act Request and Department of Justice data, there have been on average been 525 cases filed per year.
- The total number of cases has been increasing each year. The Government has on average intervened in 138 cases each year. Almost 95 percent of the intervened cases have resulted in judgments or settlement.

The Amounts of Damages Collected from Defendants have Increased Dramatically

Since the adoption of the False Claims Act Amendments in 1986 the United States has collected \$35 billion in fraud settlements and almost \$24 billion of that has been based on Qui Tam cases brought by private citizens. Of that \$24 billion collected, the Government has paid Relator share awards totaling almost \$4 billion.

In 1978, before the Act was amended, the total amount of monies collected for fraud against the Federal Government was only \$15 million.⁺⁺⁺⁺⁺ Just after the adoption of the 1986 amendments, the monies collected went up to more than \$86 million. On average over the four years 2010 to 2013 the total collected has been more than \$3 billion per year.^{\$\$\$\$\$\$} Over the same

⁺⁺⁺⁺⁺ Flora, Phyllis A. "The Massachusetts' False Claims Law." *3 Massachusetts Bar Institute, Section Review*, 1 (Spring 2001).

⁺⁺⁺⁺⁺ *False Claims Act of 1979, S. 1981, Hearing Before the Subcommittee on Improvements in Judicial Machinery*. Washington: Government Printing Office, 1980. 9.

^{\$\$\$\$\$\$} "Justice Department Recovers \$3.8 Billion from False Claims Act Cases in Fiscal Year 2013." *Justice News*. Department of Justice, Office of Public Affairs. 20 Dec 2013. Web. 29 Jan 2014.

period the Relators have received approximately 16 percent of those recoveries or \$367 million per year.*****

YEAR	SETTLEMENT & JUDGMENT
1983	\$26,000,000
1987	\$86,479,949
2012	\$4,959,333,598

**TOTAL (1987-2012):
\$35,192,303,318**

Of the 138 cases per year well over half of them (64 percent) had recoveries less than \$6 million and 30 percent had recoveries over \$6 million with 10 percent of the cases producing recoveries over \$40 million.

- The cases that the Government has intervened in have taken significant amount of time. While these cases on average remain under seal for 13 months the larger cases can remain under seal for much longer periods. With cases that result in \$40 million or more in recovery almost half stay under seal for over two years.
- The False Claims Act has deterred other entities from engaging in Fraud against the Government. The annual Fulbright and Jaworski survey of litigation trends,+++++ which interviews 400 in-house counsels at major corporate entities, has found that more than 25 percent of all corporations in the United States have been subject to allegations by a whistleblower.

***** Data obtained from Freedom of Information Act Request to the U.S. Department of Justice for False Claims Act Cases 2008-2012.

+++++ "9th Annual Litigation Trends Report." *Fulbright*. Fulbright & Jaworski LLP, 2013. Web. 27 Aug 2013.