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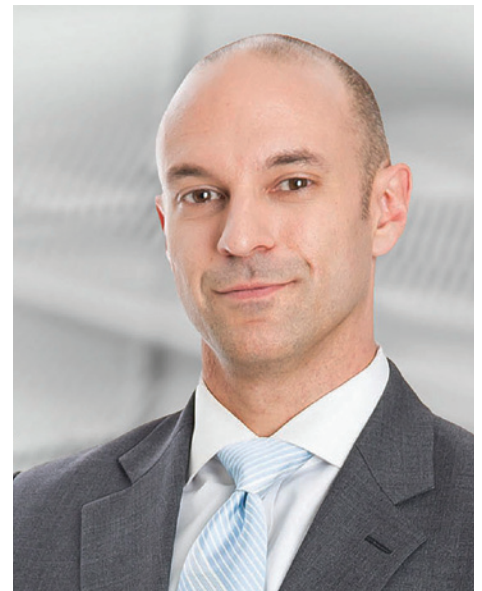
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Those Who Learn of Fraud Have an Important Role to Play During Pandemic

Given its over \$2 trillion dollar price tag, spending from the CARES Act will require close oversight to ensure these public funds are used for their intended purpose and are not diverted by unscrupulous companies or individuals.

BY JEANNE MARKEY AND
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Extraordinary times call for extraordinary measures. With the enactment of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the economic collapse caused by the coronavirus will be met with unprecedented levels of government fiscal intervention to restore and stabilize our nation's ailing economy. Given its over \$2 trillion dollar price tag, spending from the CARES Act will require close oversight to ensure these public funds are used for their intended purpose and are not diverted by unscrupulous companies or individuals. Injecting trillions of dollars into nearly every aspect of the nation's economy holds great promise to cushion the devastation of this pandemic but carries with it the potential for fraud on a massive scale.



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While the CARES Act provides for the creation of the Pandemic Response Accountability Committee to be chaired by an inspector general, government officials and committees are not the only mechanisms at our collective disposal to protect the integrity of government spending programs.

As lawyers for whistleblowers who report fraud against the

government, we know well that every American has a role to play. Our laws embody the wisdom that ordinary Americans themselves are oftentimes best positioned to monitor and report on fraud.

Passed amid reports during The Civil War that public funds were being stolen when corrupt suppliers sold cardboard boots and sawdust instead of gunpowder, the

False Claims Act makes it illegal to submit fraudulent claims to the government for payment and allows the government to recover three times its monetary damages. Over the last 150 years, the False Claims Act has become the government's most potent arrow in its fraud prevention quiver as it was amended to empower and encourage individual Americans to blow the whistle on those who defraud the government by allowing them to bring lawsuits against fraudsters and providing monetary awards when these cases are successful.

In 2019, for instance, the Department of Justice recovered more than \$3 billion dollars through False Claims Act enforcement and in keeping with recent history the vast majority of that recovery came from cases that were initiated by whistleblowers. During the 21st century alone, whistleblowers proceeding under the False Claims Act have protected government expenditures made in response to financial crises, natural disasters, and Medicare and Medicaid expansion, among other circumstances. The role of individual whistleblowers has been so integral to the success of this law that programs to empower and reward whistleblowers have been established at the Securities and

Exchange Commission and the Internal Revenue Service to protect the integrity of our capital markets and tax system.

What kinds of fraud are likely to occur as the CARES Act is implemented? If history is any guide, manufacturers may knowingly sell defective or unsafe products—such as critically important personal protective equipment—to the government in its rush to supply hospitals with necessary supplies. Health care providers may take advantage of the current crisis to bill Medicare or Medicaid for treatments that are unnecessary and may even be harmful to patients. Companies that are not among those meeting the law's criteria for federal loans or grants may falsify applications to claim this public money for themselves and deprive deserving businesses of liquidity to survive our nation's lockdown. And public companies may not fairly disclose to their investors the impact of the coronavirus on their operations, weakening our newly fragile financial markets. Individuals that see, hear, or learn of these or other types of fraud on our government should contact a lawyer immediately to investigate and, where warranted, pursue whistleblower actions that can lead to substantial government

recoveries and financial awards to the individuals that came forward.

During this crisis, many Americans are wondering what they can do to help our nation's response to this deadly and devastating virus. For those who learn of fraud on the government, there is an important role to play in safeguarding public spending and helping government programs reach those in need. If each of us will blow the whistle when we believe our government is being defrauded, we can stand united in our efforts to make our response to this pandemic as effective as possible.

—Gary Azorsky, co-chair of the firm's whistleblower/False Claims Act practice and Casey Preston, a member of the firm's whistleblower/False Claims Act practice, contributed to this report.

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