

## Universities Are Prime Targets for False Claims Act Liability

### Pratt's Government Contracting Law Report

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Institutions of higher education are increasingly susceptible to False Claims Act liability for misuse of federal funds or for having made misrepresentations to the government to obtain those funds in the first place. The authors of this article discuss the rise in these allegations and offer practical tips for colleges and universities.

Colleges and universities receive billions of dollars in federal funds, whether through research grants or student financial aid, or even by billing Medicare or Medicaid for services rendered at academic medical centers. As a result, institutions of higher education must be vigilant to ensure that their receipt of federal funding does not implicate the broad scope of the civil False Claims Act (FCA), a federal statute that seeks to combat fraud against the government. Those found liable of violating the FCA by submitting false claims to the government face treble damages and penalties ranging from \$10,781 to \$21,563 *per violation*. In recent years, there has been an unprecedented and steady rise in the number and types of cases brought under the FCA. In 2016, the U.S. Department of Justice (DOJ) recovered more than \$4.7 *billion* in settlements and judgments from civil cases involving fraud against the government under the FCA, a \$1.2 billion increase over the \$3.5 billion recouped last year in 2015.