



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: False Claims Act enhancements in Deficit Reduction Act of 2005
Da: Thursday, Feb. 2, 2006

Sen. Chuck Grassley, chairman of the Committee on Finance, included two key anti-fraud provisions in the Deficit Reduction Act that received final congressional approval on Wednesday and is headed to the President for his consideration. The provisions were designed to address the fraud, waste and abuse of the Medicaid program outlined last summer during a two-day hearing before the Senate Finance Committee.

The first provision provides increased funding for states that agree to pass a State False Claims Act, modeled after the federal False Claims Act. States will be provided an increased share of Medicaid funds if they agree to pass a False Claims Act that contains the same provisions as the federal version. The second provision requires any company doing more than \$5 million in business with Medicaid to provide education to employees regarding the False Claims Act. As the principal author of the 1986 amendments to the federal False Claims Act, Sen. Chuck Grassley, chairman of the Finance Committee, has fought long and hard to protect whistleblowers who use the False Claims Act to help the government recover taxpayer dollars from those who defraud the government. Sen. Grassley released the following statement regarding the False Claims Act provisions included in the Deficit Reduction Act:

“The False Claims Act has been the federal government’s number one tool for fighting fraud, waste and abuse for the past 20 years. The passage of the Deficit Reduction Act marks a new day for the False Claims Act. It enhances and strengthens this valuable tool for fighting fraud and waste in government programs. All too often taxpayer money is wasted or lost to fraud. This fraud threatens the sustainability of government programs. Over the past 20 years, I’ve seen whistleblowers use the False Claims Act to recover more than \$17 billion in tax dollars. With these new provisions, the False Claims Act is evolving to help fight fraud, waste and abuse for another 20 years and beyond.”