insights



A Newsletter from Shumaker, Loop & Kendrick, LLP

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False Claims Act Penalties

n a largely unnoticed provision of the Bipartisan Budget Act of 2015, Congress required federal agencies to make inflationary adjustments, tied to the CPI, to civil monetary penalties with automatic annual adjustments. Recently the Railroad Retirement Board, which

occasionally generates False Claims Act cases,

> issued an interim final rule increasing minimum FCA penalties from \$5,500 to \$10,781 and increasing maximum

penalties



by Kelly A. Leahy

from \$11,000 to \$21,563. Other agencies such as the Department of Justice are expected to employ the same calculation when issuing their rules, which are due out by July 1 for an effective date of August 1, 2016. The increased penalties are expected to boost the government's leverage in settlement discussions and impact settlement amounts, which are usually calculated as a multiple of the penalty amounts.

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