Whistleblower Lawyers Use False Claims Act to Target Private Equity Firms Invested In Healthcare and Life Sciences



Recent developments demonstrate that the health care industry – including life sciences companies – continues to be subject to heightened regulatory scrutiny and enforcement risk. This alert addresses the U.S. Department of Justice ("DOJ") use of the False Claims Act ("FCA") to pursue private equity investors and their portfolio companies, including life sciences companies. While DOJ has been actively investigating private equity portfolio companies, the driver behind the majority of DOJ's investigations are whistleblower plaintiff lawyers who file *qui tam* suits alleging FCA violations. These lawyers have found a receptive audience in both legislative and executive branches of the federal government and are bringing pressure on DOJ to ramp up its focus on the private equity industry, a perceived deep-pocket in FCA cases. Our lawyers Kirk Ogrosky, Anne Railton, John LeClaire and Chris Wilson examine the issue in this client alert.