

[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](#).

[PE Investment in Health Care Attracting Greater Federal Scrutiny](#)



Private equity investment in health care companies has garnered increasingly critical attention from the federal government, including recent scrutiny by Congress in March 2021, when the Oversight Subcommittee of the U.S. House of Representatives’ Ways and Means Committee held a hearing on “Examining Private Equity’s Expanded Role in the U.S. Health Care System.”

The tenor of the hearing is encapsulated in the opening remarks of the Oversight Subcommittee’s Chairman, U.S. Representative Bill Pascrell Jr. (D-N.J.), who kicked off the discussion by cautioning that: “It’s past time for a bright light to be shined on how private equity ownership and our health care system affects patient safety, cost, and jobs.” Noting that 2020 saw \$66 billion in private equity

investment across the health care industry — a 21% increase from 2019 — Chairman Pascrell expressed concern that “private equity’s main focus — profit — is often at odds with what is best for patient care.”

Read the [***full New York Law Journal article***](#).