

## EDUCATION & GRANT FRAUD

Federal and state governments spend significant amounts of money on research and grants, and these funds often come with restrictions as to how the money can be used. Educational and research institutions (or individual educators and researchers) that misuse federal funds – or fail to properly account for them – may be liable under the FCA.

The FCA, which is also known as the False Claims Act or the Lincoln Law, makes it illegal to defraud a government program by providing fraudulent bills or making false statements about fraudulent bills. It also encourages people who come forward to acknowledge previously unknown fraud with a “whistleblower” provision. The whistleblower may receive part of the recovered damages and is also protected against job loss.

### Types of Federal Grant Fraud Claims Under the False Claims Act

There are several types of federal grant fraud claims that may be made under the FCA. Common types of grant fraud include:

- Falsifying grant applications
- Using grant funds for non-grant related purposes
- Failing to comply with grant record-keeping and accounting requirements

In 2013, a prominent university paid almost \$3 million to settle claims that one of its researchers submitted false claims under research grants from the National Institutes of Health. The false claims included requests for reimbursement for purely personal items. The whistleblower in that case received almost \$500,000 of the settlement.

In another claim, whistleblower attorney Daniel C. Oliverio of Hodgson Russ and his team – represented an employee of Columbia University’s ICAP health program. The employee had noted the university incorrectly reported its use of U.S. Health & Human Services (HHS) grant money, which was intended for use in AIDS/HIV prevention measures.

The employee revealed the university failed to check that its health program was using grant money for approved projects, as required under the Emergency Plan for AIDS Relief program. The employee launched a grant fraud claim on behalf of the government, under the provisions of the False Claims Act, with representation from a grant fraud attorney team at Hodgson Russ.

In what was one of the largest HHS grant fraud claims involving a university, Columbia reached a settlement of more than \$9 million. Under the provisions of the False Claims Act, the employee whistleblower is slated to receive part of the proceeds of the settlement. Since the employee saw his employment at the university terminated after making his claim, he retained Hodgson Russ after receiving federal grant fraud representation from the firm.

## Partner with our Federal Grant Fraud Attorneys at Hodgson Russ LLP

If you or someone you know is aware of an individual or business that is defrauding a U.S. education program by misusing federal funds, Hodgson Russ can help. Hodgson Russ, provides representation and advisement services in litigation matters, general business matters, and compliance matters. Our federal grant fraud attorneys build strong, lasting relationships through experienced representation, timely attention, and respect for our clients.

For more information on federal grand fraud law, the whistleblower provision, and other matters pertaining to the False Claims Act, contact Dan Oliverio.

We also offer legal representation for SEC fraud, procurement fraud, defense contractor fraud and all other types of fraud covered under the False Claims Act.

Hodgson Russ has offices in New York City, Albany, Buffalo, and Saratoga Springs, New York. We also have offices in Hackensack, New Jersey, Toronto, Ontario, and Palm Beach, Florida.