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Attorney General Joseph R. Biden, III, State Senator Robert Marshall, and State Representative Vincent Lofink announce the introduction of legislation to improve the fight against fraud
Senate Bill 97 will strengthen Delaware's ability to encourage the participation of whistleblowers and enhances efforts to uncover, investigate, and prosecute false claims

Dover, DE – Today Attorney General Joseph R. Biden, III, joined State Senator Robert Marshall (D-Wilmington West) and State Representative Vincent Lofink (R-Caravel Farms) as they announced the introduction of Senate Bill 97 which will enhance the Department of Justice's efforts to combat fraud against government contracts and programs.

Each year, billions of dollars of taxpayer money is used by state and federal governments to provide services and programs for citizens. This money is susceptible to misuse on a scale that exceeds the ability of the government to identify, investigate and prosecute this fraud. Twenty years ago the U.S. Congress enhanced the federal False Claims Act to maximize the participation of whistleblowers in the fight against fraud. This enhanced legislation has been a highly effective tool in recovering stolen federal monies.

Federal success in combating fraud has been dramatic. On the federal level in 2006:

- Nearly ten billion dollars was returned to the government as a result of false claims actions.
- Over eighty percent of money returned to the government was a result of whistleblower-initiated false claims lawsuits.
- For each dollar spent on false claims investigations and prosecutions fifteen dollars was returned to the government.

In these cases governments often rely on "whistleblowers", private citizens who come forward with critical information that helps to uncover, investigate and prosecute false claims cases. Their participation should be encouraged and protected.

"Today I am proud to join Senator Robert Marshall and Representative Vincent Lofink as they introduce legislation designed to mirror the federal false claims act," noted Attorney General Biden. "Combating fraud is an ongoing challenge. I am proud to support legislation that takes a proactive approach to fighting fraud right here in our state. By encouraging whistleblowers to come forward, this legislation will greatly enhance our ability to bring to justice those who attempt to defraud the government."



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Under the Delaware and federal False Claims Acts whistleblowers who discover false claims submitted by a private party may file a lawsuit on behalf of the government against that party in order to recover the lost money. In return for their information, participation and risk, whistleblowers receive protection against retaliation by their employers and a percentage of the funds recovered as a result of the lawsuit.

Senate Bill 97 contains critical amendments to Delaware's False Claims and Reporting Act. It brings Delaware's statute into conformance with new federal false claims guidelines. As a result, Delaware will receive an additional 10% of Medicaid fraud lawsuit awards.

This legislation also goes beyond current federal guidelines in four key ways:

- First, it places new liability on any person or entity who does not alert the government to fraud that he or she knowingly benefits from.
- Second, it requires employers to publicly post a summary of the Delaware False Claims and Reporting Act. This summary will explain the rights and protections provided to whistleblowers under the law.
- Third, it creates the Attorney General's False Claims Act Litigation Fund. This fund will receive a small portion of recovered monies to help offset some of the expenses incurred in investigating and prosecuting false claims actions.
- Fourth, it encourages whistleblowers to come forward by raising the percentage of the recovery they could receive.

"I want to ensure that the Department of Justice is armed with the most effective statute possible for the fight against fraud," Attorney General Biden said. "My hope is that we do not uncover large amounts of fraud perpetrated on State government. But if we do, Senate Bill 97 will give us more effective tools to fight it aggressively."

Stated Representative Lofink, "The federal False Claims Act has become an effective tool to recover stolen government money. It is time that we use this tested resource to make our efforts in Delaware more effective and efficient."

Senator Marshall noted, "In this time of tight budgets and fiscal discipline, we must ensure that every penny of government funding is spent for its intended purpose. This legislation provides critical tools that ensure that taxpayer money is spent effectively."

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