

109TH CONGRESS
1ST SESSION

S. 636

To direct the Inspector General of the Department of Justice to submit semi-annual reports regarding settlements relating to false claims and fraud against the Federal Government.

IN THE SENATE OF THE UNITED STATES

MARCH 16, 2005

Mr. GRASSLEY introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

To direct the Inspector General of the Department of Justice to submit semi-annual reports regarding settlements relating to false claims and fraud against the Federal Government.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FALSE CLAIMS SETTLEMENTS.**

4 Section 8E of the Inspector General Act (5 U.S.C.
5 App.) is amended by adding at the end the following:

6 “(e)(1) In preparing the semi-annual report under
7 section 5, the Inspector General of the Department of Jus-
8 tice shall describe each settlement or compromise of any

1 claim, suit, or other action entered into with the Depart-
2 ment of Justice that—

3 “(A) relates to an alleged violation of section
4 1031 of title 18, United States Code, or section
5 3729 of title 31, United States Code (including all
6 settlements of alternative remedies); and

7 “(B) results from a claim of damages in excess
8 of \$100,000.

9 “(2) The descriptions of each settlement or com-
10 promise required to be included in the semi-annual report
11 under paragraph (1) shall include—

12 “(A) the overall amount of the settlement or
13 compromise and the portions of the settlement at-
14 tributed to various statutory authorities;

15 “(B) the amount of actual damages estimated
16 to have been sustained and the minimum and max-
17 imum potential civil penalties incurred as a con-
18 sequence of the defendants that is the subject of the
19 settlement or compromise;

20 “(C) the basis for the estimate of damages sus-
21 tained and the potential civil penalties incurred;

22 “(D) the amount of the settlement that rep-
23 represents damages and the multiplier or percentage of
24 the actual damages applied in the actual settlement
25 or compromise;

1 “(E) the amount of the settlement that rep-
2 resents civil penalties and the percentage of the po-
3 tential penalty liability captured by the settlement or
4 compromise;

5 “(F) the amount of the settlement that rep-
6 resents criminal fines and a statement of the basis
7 for such fines;

8 “(G) the length of time involved from the filing
9 of the complaint until the finalization of the settle-
10 ment or compromise, including—

11 “(i) the date of the original filing of the
12 complaint;

13 “(ii) the time the case remained under
14 seal;

15 “(iii) the date upon which the Department
16 of Justice determined whether or not to inter-
17 vene in the case; and

18 “(iv) the date of settlement or compromise;

19 “(H) whether any of the defendants, or any di-
20 visions, subsidiaries, affiliates, or related entities,
21 had previously entered into 1 or more settlements or
22 compromises related to section 1031 of title 18,
23 United States Code, or section 3730(b) of title 31,
24 United States Code, and if so, the dates and mone-
25 tary size of such settlements or compromises;

1 “(I) whether the defendant or any of its divi-
2 sions, subsidiaries, affiliates, or related entities—

3 “(i) entered into a corporate integrity
4 agreement related to the settlement or com-
5 promise; and

6 “(ii) had previously entered into 1 or more
7 corporate integrity agreements related to sec-
8 tion 3730(b) of title 31, United States Code,
9 and if so, whether the previous corporate integ-
10 rity agreements covered the conduct that is the
11 subject of the settlement or compromise being
12 reported on or similar conduct;

13 “(J) in the case of settlements involving med-
14 icaid, the amounts paid to the Federal Government
15 and to each of the States participating in the settle-
16 ment or compromise;

17 “(K) whether civil investigative demands were
18 issued in process of investigating the case;

19 “(L) in qui tam actions, the percentage of the
20 settlement amount awarded to the relator, and
21 whether or not the relator requested a fairness hear-
22 ing pertaining to the percentage received by the rela-
23 tor or the overall amount of the settlement;

24 “(M) the extent to which officers of the depart-
25 ment or agency that was the victim of the loss re-

1 solved by the settlement or compromise participated
2 in the settlement negotiations; and

3 “(N) the extent to which relators and their
4 counsel participated in the settlement negotiations.”.

○