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Posted on Tue, Nov. 21, 2006

## Whistle-blowers bring govt. payback

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Associated Press

**WASHINGTON** - Whistle-blowers tipped off the government to \$1.3 billion worth of fraud cases over the past year, largely at hospitals or other health care providers, the Justice Department said Tuesday.

In all, the department recovered \$3.1 billion in settlements - what prosecutors said was a record amount - from individuals and companies during the 2006 fiscal year that ended Sept. 30.

"Many of these cases were initiated by whistle-blowers," said Assistant Attorney General Peter D. Keisler, who oversees the department's civil division.

He called the \$1.3 billion identified by whistle-blowers a recovery level "probably greater than most years, smaller than a couple." In return, whistle-blowers were paid \$190 million over the year for alerting the government to the fraud.

The single largest settlement, worth \$920 million, came against Dallas-based Tenet Healthcare Corp., the nation's second-largest hospital chain. Following claims from six whistle-blowers, prosecutors accused Tenet of overbilling the government for \$806 million in Medicare payments and paying \$49 million in kickbacks to doctors who referred patients to the health care chain.

Tenet operates 66 hospitals in 12 states, mostly in the Southeast. Overall, fraud settlements with health care companies accounted for \$2.2 billion - more than two-thirds of the annual total.

Whistle-blowers have helped the government recover an estimated \$18 billion since 1986, when Congress approved laws to strengthen their protections.

"Today, individual citizens are making the same kind of important difference in exposing fraud by those who do business with the government," said Sen. Charles Grassley, R-Iowa, who helped write the laws.

Until now, the government had never recovered \$3 billion or more in fraud cases, and passed the \$2 billion mark for the first time in 2003, Keisler said.

The overall total also includes a \$565 million settlement with Boeing Co., closing two investigations into claims that the aircraft manufacturer improperly sought and carried out contracts with the Pentagon and NASA. Additionally, two whistle-blowers led the government to the single settlement over the past year related to Iraq reconstruction contracts. Houston-based EGL Inc., a subcontractor for Kellogg, Brown & Root, paid \$4 million to resolve accusations that it added fake "war risk surcharges" while billing the government. Kellogg, Brown & Root, also known as KBR, is a subsidiary of the Halliburton Co., the Houston-based oil services conglomerate.

There was no immediate total for fraud payments related to hurricanes Katrina and Rita last year.

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Justice Department: <http://www.usdoj.gov/>