



NEW YORK STATE SENATOR

Eric T. Schneiderman

Senator Schneiderman Shepherds Historic Anti-Fraud, Taxpayer Protection Measure Through Legislature

ERIC T. SCHNEIDERMAN July 1, 2010

| ISSUE: **CONSUMER PROTECTION**

New York's legislature today passed [Senator Eric T. Schneiderman's Fraud, Enforcement & Recovery Act](#) ("FERA"), a historic bill to strengthen the state's powerful False Claims Act. The New York False Claims Act, passed in 2007 and modeled after the then-existing United States False Claims Act, is New York's most powerful tool to fight fraud against the government, especially fraud by corrupt government contractors.

"Today we've taken the government's single most powerful tool in combating fraud and turned it into the strongest whistleblower measure in the nation. Since 2007, the New York's False Claims Act in 2007 has helped recover hundreds of millions of dollars in stolen funds for taxpayers. This bill is bigger and better. It's a win-win for taxpaying New Yorkers - it roots out public corruption and rewards the good people who blow the whistle on fraud. I am proud to sponsor this legislation and urge the Governor to sign it right away so that we can put criminals out of business and give the people of this state our stolen money back," said Senator Eric Schneiderman.

The law allows the Attorney General, a local government, or a whistleblower to bring a lawsuit against any party who makes or uses a false or fraudulent claim, record or statement

to obtain government funds.

Since its passage in 2007, the law has resulted in hundreds of millions of dollars in recoveries to the state. However, many of the terms of the False Claims Act have recently been misinterpreted by federal courts - including the Supreme Court - to create loopholes that make it harder for law enforcement and whistle-blowers to fight fraud.

To address these loopholes and court decisions, President Barack Obama recently signed a series of amendments to the United States False Claims Act, heralded by anti-fraud groups and, among others, the New York Times. In March, Senator Schneiderman introduced the first bill in the legislature to, among other things, adopt the Obama amendments into the New York False Claims Act. Indeed, Senator Schneiderman's bill went further than those amendments in cracking down on corrupt contractors and protecting whistleblowers in significant ways. This month, Schneiderman reintroduced his bill along with Assembly Speaker Sheldon Silver.

The bill today passed both houses unanimously.