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PSC Urges Supreme Court To Impose Shorter False Claims Act "Statute of Limitations" on Qui Tam Relators

Arlington, V.A. (Jan. 15, 2018) –The Professional Services Council (PSC) filed a "friend of the court" (amicus curiae) brief on Jan. 9, urging the U.S. Supreme Court to clarify the correct statute of limitation under the qui tam provisions of the False Claims Act to be applied when the U.S. Government decides not to intervene in a case.¹

PSC recommended that the court adopt the six-year statute of limitations in these False Claims Act cases. In a 2018 ruling by a panel of the Eleventh Circuit Court of Appeals, that court held that the longer time period provided for in the Act—up to ten years—could be applied. There is now a three-way split in the circuit courts over the proper application of these statute of limitations provisions of the False Claims Act.

"To be functional, the Eleventh Circuit's rule would require extensive and time-consuming discovery about what the government knew and when the government knew it," said Alan Chvotkin, PSC Executive Vice President and Counsel. "Without an effective time-bar to these suits, qui tam relators will have a significant financial incentive to delay bringing their claims, putting both the government and the contractors at greater risk."

The Supreme Court has agreed to hear the case. A decision is expected in the late spring.

PSC joined in its amicus with DRI—The Voice of the Defense Bar. The case is Cochise Consultancy v. U.S. ex. rel. Hunt. Zach Chaffee-McClure of Shook, Hardy & Bacon served as counsel to the amici.

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¹ Under the Act, a plaintiff may file a False Claim Act complaint (1) six years after the date on which a violation occurred, or (2) three years after the date when facts material to the alleged fraud are known or reasonably should have been known <u>by the relevant government official</u>, but in no case longer than 10 years. (Emphasis added.)