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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

KOLAN DAVIS, STAFF DIRECTOR AND CHIEF COUNSEL
RUSSELL SULLIVAN, DEMOCRATIC STAFF DIRECTOR

July 25, 2005

Dear Mr. _____ :

In June, the Senate Finance Committee (Committee) convened a two-day hearing, "Medicaid Waste, Fraud and Abuse: Threatening the Healthcare Safety Net." During the course of that hearing it was revealed that there are currently approximately 150 whistleblower cases involving over 500 different drugs under seal in the Department of Justice Civil Division alone. The volume of whistleblower cases coupled with the number of settlements already executed suggests not only that fraud in the Medicaid program is widespread, but also that the False Claims Act is an important tool for exposing such fraud.

In that regard, I want to thank you for responding to my inquiry and informing me that your company has a comprehensive compliance program that includes an anonymous hotline for employees to report misconduct.

While many of your competitors voluntarily provide basic information about whistleblower rights under the FCA to their employees, I am disappointed that you believe providing information to your employees on whistleblower rights under the FCA is not consistent with the goal of preventing unlawful and unethical conduct. Providing information about the FCA, including the whistleblower provisions, to employees as part of your ethics and compliance program will go a long way toward preventing the kind of systemic fraud discussed in the hearing. It is my hope that a mutually agreeable approach to educating employees about the FCA can be reached and that your company will reconsider its position.

Material requested in this letter should be provided to the Senate Committee on Finance no later than August 15, 2005. Any questions or concerns should be directed to _____.

All correspondence should be sent electronically in PDF searchable format to _____ and original by U.S. mail. Thank you in advance for promptly complying with this request.

Sincerely,



Charles E. Grassley
Chairman