



Private Equity Firms Must Prepare For Growing FCA Liability

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In an article published by *Law360*, Katten attorneys address the rising False Claims Act (FCA) scrutiny private equity firms are facing when it comes to investment in the health care field.

Litigation partners Johnjerica Hodge, Washington, DC, and Ryan Meyer, Dallas, note that a fairly recent emphasis by the US Department of Justice on combating fraud led to private equity firms incurring millions of dollars to resolve FCA claims. The article covers key cases and identifies steps private equity firms can take to reduce liability when investing in an area so heavily regulated.

Steps to take include thorough due diligence of the entity being acquired, with particular attention to receiving payments or reimbursements from the government. Private equity firms also should watch their post investment conduct, especially when efforts to grow business run afoul of government regulations. Another caution involves private equity executives who join the board of companies in which they invest.

Ny'esha Young, a second-year law student at Texas A&M University School of Law who will rejoin Katten as a summer associate in 2023, contributed to the article.

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