



STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

LORI SWANSON
ATTORNEY GENERAL

January 14, 2011

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ST. PAUL, MN 55155
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Honorable Morrie Lanning
Chair, State Government Finance Committee
379 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1298

Honorable Mike Parry
Chair, State Government Innovation and
Veterans Committee
309 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1606

Honorable Phyllis Kahn
Minnesota House of Representatives
353 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1298

Honorable Richard Cohen
Minnesota State Senate
109 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1298

Re: Report Required Under Minn. Stat. § 15C.16 (2010)

Dear Chairs and Ranking Members:

As you know, the Minnesota False Claims Act ("MFCA") became effective July 1, 2010. Minn. Stat. § 15C.16 (2010) requires this Office to report to the chairs and ranking minority members of the Senate and House of Representative Committees with jurisdiction over state government finance by January 15 of each year on activities carried out under Chapter 15C during the prior calendar year. Pursuant to this requirement, I am providing the following information:

- 1) *The number of complaints received by the Attorney General's Office under Minn. Stat. § 15C.05 (2010):* Fifty four complaints were received after the effective date of the statute, July 1, 2010, where a claim was made that included, in part, § 15C.05. None of these complaints were filed exclusively under § 15C.05, but were filed primarily under the Federal False Claims Act ("FCA").
- 2) *The number of times in 2010 the Attorney General's Office intervened and declined to intervene after receiving a complaint filed pursuant to Minn. Stat. § 15C.05:* The Office declined participation in one case, and two cases were dismissed by the relators. The Office participated in one case that was settled after an amendment to the complaint included § 15C.05. The Office is participating in the remaining 50 cases under the federal FCA.

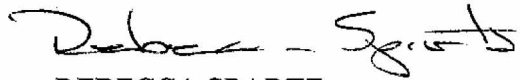


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- 3) *An estimate of the amount of time spent by attorneys in the Attorney General's Office and an estimate of the amount of time spent by other staff in the Attorney General's Office on activities carried out in 2010 under Chapter 15C:* 200.4 attorney hours and 11.5 non-attorney hours were spent on the cases listed in paragraph 1.
- 4) *Net proceeds received by the State in 2010 for each action under this Chapter:* A case filed under the federal FCA in 2005, but amended in August 2010 to include § 15C.05, settled with \$747,686.32 being disbursed to the Minnesota Department of Human Services pursuant to federal Medicaid fraud provisions.

Please be advised that this Office continues to be a member of the National Association of Medicaid Fraud Control Units ("NAMFCU") and through this participation works in conjunction with other states and with the United States Department of Justice to pursue recoveries under the Federal False Claims Act. The Medicaid Fraud Control Unit of this Office sent a letter to Daniel Levinson, Inspector General of the Department of Health and Human Services, pursuant to Section 6031(b) of the Federal Deficit Reduction Act ("DRA") to request the Office of Inspector General's determination of whether the MFCA meets the requirements for the enhanced financial incentive provided by the federal DRA. To date, we have not received a substantive response to our letter, other than that the OIG has received the letter and is reviewing the MFCA.

Sincerely yours,



REBECCA SPARTZ
Director of Administration

(651) 757-1111