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Kamala Harris' Legacy of Protecting Taxpayers and Whistleblowers

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In the wake of the coronavirus related economic crisis, government spending has ballooned in an environment <u>ripe for fraud</u>. Vice Presidential nominee Kamala Harris was among the Democrats who introduced the <u>COVID-19 Whistleblower Protection Act</u> in June and explained that:

"The American people must be able to trust that pandemic relief funds are providing muchneeded assistance to the American people," <u>said Senator Harris</u>. "Those working to help manage these funds have an obligation to speak truth when they see wrongdoing and deserve to be protected when they do. I am proud to introduce the COVID-19 Whistleblower Protection Act—this critical legislation ensures relief funds are used for their intended purpose, and not abused by corporate executives."

The Vice Presidential Nominee's commitment to protecting taxpayers and whistleblowers is a legacy she has cultivated since her tenure as California's Attorney General. Senator Harris has the strongest record of any Presidential or Vice Presidential nominee in history for using the False Claims Act to fight fraud against the government. As a result, the former Attorney General's highly effective enforcement of federal and state False Claims Act provisions recovered billions for taxpayers.

Harris effectively leveraged False Claims Act protections to stop fraud and recover funds for taxpayers in various sectors of the economy, from mortgages to medicine. While serving as Attorney General of the State of California, Harris successfully litigated the "largest recovery in the history of the [California] False Claims Act," collecting \$241 million in sanctions against Quest Diagnostics. Whistleblowers had exposed that Quest had made "illegal overcharges" in California's "medical program for the poor." The frauds involved were incredibly far-reaching. Then Attorney General Harris collaborated with various law enforcement agencies, both federal and state, to successfully hold the company responsible for its fraud.

In announcing the settlement, then-Attorney General Harris explained that the whistleblower case had targeted those who "illicitly" "lined private pockets" at the expense of a state medical program designed to "help the state's neediest families." And, warned that fraudsters "who try to cheat the

state through false claims and illegal kickbacks should know that [Harris'] office is watching and will prosecute." And, the whistleblowers, in that case, obtained a reward of over \$69 million.

In 2016, Harris settled with for-profit charter school operator K12 for \$168.5 million for misleading parents about the quality of its educational services. The suit resulted in the relief of \$160 million in debt, which was accrued by nonprofit schools that entered unfavorable contracts with K12.

In 2012, Harris and Attorney Generals from 49 states and the District of Columbia settled with Abbot Laboratories for over \$1.5 billion after their investigations revealed that the company was marketing the Depakote for off label uses. The case was based on four qui tam cases brought under California's False Claims Act statutes.

That year, Harris also worked with the United States government to obtain a \$3 billion settlement from GlaxoSmithKline, the largest healthcare fraud settlement in history at that time. The case was based on four qui tam cases, which ultimately showed that the company mislabeled a number of pharmaceutical products, misrepresented the appropriate uses of drugs, engaged in kickbacks, and submitted incorrect pricing information to the government. And Harris brought a False Claims Act suit against McKesson for overcharging the government for drugs, and the company settled with the government for \$23,585,849.

In 2011, Harris vowed to recover money related to mortgage fraud for taxpayers using California's False Claims Act statutes. In 2013, Harris used the False Claims statutes to sue Standard and Poor for intentionally inflating rates for mortgage-backed securities.

And, a False Claims Act suit initiated by Harris in 2016 resulted in Morgan Stanley being held accountable for misrepresenting mortgage-backed securities and won \$150 million for taxpayers.

In 2006, Harris brought a case against <u>Price Waterhouse Coopers</u> as a District Attorney. The suit was brought to hold the company accountable for false advertising and unfair competition.

Stephen M. Kohn, a partner in the whistleblower law firm of Kohn, Kohn and Colapinto who also serves *pro bono* as the Chairman of the Board of Directors of the National Whistleblower Center, issued this statement.

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