



STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

LORI SWANSON
ATTORNEY GENERAL

January 13, 2016

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Honorable Sarah Anderson
Chair, State Government Finance Committee
Minnesota House of Representatives
583 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-5555

Honorable Tom Saxhaug
Chair, State Departments and Veterans
Budget Division of the Finance Committee
Minnesota State Senate
95 University Avenue West
Minnesota Senate Building, Room 2111
St. Paul, MN 55155

Honorable Sheldon Johnson
Ranking Minority Member, State Government
Finance Committee
Minnesota House of Representatives
259 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-5555

Honorable Roger C. Chamberlain
Ranking Minority Member, State
Departments and Veterans Budget Division
of the Finance Committee
Minnesota State Senate
129 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

Re: Report Required Under Minn. Stat. § 15C.16 (2015)

Dear Chairs and Ranking Members:

As you know, the Minnesota False Claims Act ("MFCA"), section 15C.16 (2014), 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 provide the following information:

- 65 complaints were received in 2015, where a claim was made that included, in part, Minn. Stat. § 15C.05. None of these complaints were filed exclusively under section 15C.05; rather, they were filed primarily under the Federal False Claims Act.
- In 2015, there were 48 cases in which the Office either declined to intervene and/or the relators dismissed the case. The Office intervened in two cases and settled thirteen cases for \$1,146,828.16, with \$263,341.44 being disbursed to the Minnesota Department of Human Services pursuant to federal Medicaid fraud provisions, \$843,037.37 to be dispersed to the Minnesota Office of Higher Education, and \$40,449.35 to be dispersed to other various state agencies. The Office currently has 133 cases pending in which the Office has previously intervened or is investigating.

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- In 2015, 1,557.1 attorney hours and 306.4 non-attorney hours were spent on the cases referenced above.

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.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Smith', written over a horizontal line.

RAYMOND SMITH
Director of Finance

(651) 757-1484