

CLIENT ALERT

Contractor Claims Forfeited Under Fraud Statutes

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The Federal Circuit in *Veridyne Corp.* (July 15, 2014) held that a contractor whose claims for payment were forfeited under the Special Plea in Fraud Statute (applicable when the contractor "knew that its submitted claims were false and . . . intended to defraud the government by submitting [its] claims") was not entitled to recovery even in *quantum meruit* for the value of work completed and accepted by the government. At the same time, the Federal Circuit upheld the imposition of False Claims Act penalties for each invoice submitted under a contract extension because the contractor's misleading proposal caused the extension to be "infected with fraud," and it upheld additional, CDA penalties for invoices found to be "unsupported."

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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