

CLIENT ALERT

DoD Issues Final Rule on Allowability of Whistleblower Costs

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On July 25, DoD, GSA, and NASA issued a final rule addressing the allowability of legal costs of a contractor or subcontractor related to whistleblower proceedings. The new rule amends FAR 31.205-47 to make such costs unallowable if the contractor is found liable for fraud or similar misconduct in the whistleblower proceeding, but also gives the same treatment of costs for settled whistleblower complaints as is currently provided for settlement of proceedings brought by a third party under the False Claims Act in which the United States does not intervene (i.e., costs may be allowable if there was very little likelihood that the whistleblower would have been successful).

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

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