

CLIENT ALERT

Seal Violation Does Not Mandate Dismissal, Supreme Court Says

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On December 6, 2016, the Supreme Court in *State Farm and Casualty Co. v. U.S. ex rel. Rigsby* rejected the argument that a violation of the FCA's seal requirement — here, disclosure of the allegations of the sealed complaint to the news media by relator's counsel — mandates dismissal of a relator's complaint, holding instead that such a determination is better left to the discretion of the district court. The Court reasoned that the FCA is silent as to the remedy for violating the seal provision, whereas it expressly mandates dismissal elsewhere, and that a rule mandating dismissal could harm the government's interests — which the seal requirement was meant to protect — by depriving the government of assistance from relators on which it relies to prosecute FCA claims.

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