

CLIENT ALERT

Seventh Circuit Applies Offsets to FCA Damages Before Trebling

Mar.22.2013

In *U.S. v. Anchor Mortgage Corp.* (7th Cir. Mar. 21, 2013), Chief Judge Easterbrook held that, in calculating the damages to be trebled under the FCA, courts must use a "contract measure of loss" approach that would take into account any offsets for value or payments received by the government *prior* to trebling. The court read the Supreme Court's decision in *U.S. v. Bornstein* to require third-party payments to be subtracted *after* multiplying the damages only when such payments are not part of a "contract measure of loss" calculation, a limitation that could significantly reduce FCA damages in many contexts.

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

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