



TAXPAYERS  
AGAINST  
FRAUD

HQT'KO O GF KC VG'TGNGCUG

Eqpncev'0 kcpf c'J qwej kpu  
424/4; 8/6: : 5  
o j qwej kpuB vchqti

**Vezrc{gtu'Ci clpuv'Htcwf 'Gf wecvkqp'Hwpf 'Pco gu'ku'423: 'Cy ctf 'Y lppgtu**

Y CUJ KPI VQP . 'FE' ]32B7B: \_o Vezrc{gtu'Ci clpuv'Htcwf 'Gf wecvkqp'Hwpf '\*VCHGH+'j grf 'ku'Gki j vggpy 'Cpwwcn'  
Eqphgtgpeg'kp'gctn' 'Qevdgt'cpf 'eqpvkpwgf 'j qpqt'kpi 'ku'423: 'cy ctf 'y lppgtu'cv'cp'Cy ctf u'F lppgt'qp'Vj wtuf c{ ."  
Qevdgt'6.'423: 0

Qp'Y gf pguf c{ . 'Qevdgt'5.'VCHGH'cy ctf gf 'Crlck'Dgprvg{ 'htqo 'y g'F gr ctvo gpv'qh'Lxwkegou'Ekxkl'Htcwf 'Wpk'ku'  
oJ qpguv'Cdgo'Kpvgi tkv'kp'I qxgtpo gpv'Cy ctf 'hqt'j gt'qwwucpf kpi 'r wdike'ugt'xleg0'O u0Dgprvg{ 'ku'c'f'qi i gf 'ikki cvqt"  
y j q'j cu'cny c{ u'tgeqi pk gf 'y g'xcnwg'qht'grcvqtu'v'j g'i qxgtpo gpvu'ghhqt'v'kp's wk'vco 'ecugu0'Uj g'j cu'pqv'j gukcvgf 'vq"  
uscng'qww'j gt'vgttkqt{ 'cpf 'gphqteg'j gt'r tgtqi cvkxgu.'pqt'j cu'uj g'j gukcvgf 'vq'cxckij' gtugrh'qh'y g'hqteg'o wnk' rkt'  
r tqxkf gf 'd{ 'tgrcvqtu'cpf 'y gk'cvqtpg{ u0'Vko g'cpf 'ci clp.'O u0Dgprvg{ 'j cu'tgeqo o gpf gf 'cpf 'hqwi j v'htq'hck"  
vtgcvo gpv'qh'y g'tgrcvqtu'kp'ecugu'uj g'o cpci gf 'hqt'y g'F gr ctvo gpv0

Qp'y g'gxgpkpi 'qh'Vj wtuf c{ . 'Qevdgt'6.'423: . 'VCHGHu'Ej ckto cp'qh'y g'Dqctf . 'P gki'I gvpem'qh'I gvpem( 'I gvpem"  
r t'gugpv'gf 'y g'cy ctf u'htq'Y j kuvgdny gt'qh'y g'l gct.'Ncy {gtu'qh'y g'l gct.'cpf 'y g'Nkhwko g'Cej kxgo gpv'Cy ctf 0"  
Hktuv.'P gki'r t'gugpv'gf 'y g'cy ctf 'hqt'Y j kuvgdny gt'qh'y g'l gct.'vq'Mctkp'Dgtpu'gp.'y j q'y cu'y g'uqng'tgrcvqt'kp'y g'Hcnug"  
Ercko u'Cev'ecug'ci clpuv'y g'Rtko g'J gcnj ectg'j qur kcn'lu' u'vgo 'cpf 'ku'EGQ'cpf 'hqw'p'gt 'F t0Rtgo 'T gf f {0'Vj g'  
F gr ctvo gpv'qh'Lxwkeg'cppqwp'egf 'c'887'o krikp'ugwng' gpv'qh'y gt'ecug'qp'Cwi wuv'5.'423: 'cpf 'cy ctf gf 'O u0Dgtpu'gp"  
y g'o czko wo 'tgrcvqtu'uj ctg'wpf gt'y g'ucwng0'J gt'f gf kcvkqp'v'q'gp'f kpi 'r cvk'p'v'j cto 'cpf 'hki j v'kpi 'htcwf . 'kp'ur kg'qh"  
r gt'ua'pcn'cpf 'r tqh'gu'k'pcn'dcem'cu'j . 'ku'kp'ur k'kpi 0'O u.'Dgtpu'gp'tgo cl'p'gf "eqo o kwgf 'vq'y g'ecug'ht'ku'gp'v'k'g'9/{ gct"  
f wcvkqp'f gur kg'dcwkpi 'ugt'kwu'kmp'gu'cpf 'wpf gti qkpi 'o wnk' rg'uwti gt'kgu'cpf 'j qur kcn'k' cvk'p'u0F gur kg'y g'ug'i t'cxg"  
j gcnj 'kuwgu.'uj g'tgo cl'p'gf "cp'go r mq{ gg'qh'Rtko gau'C'xctcf q'J qur kcn'cpf 'ci tggf 'vq'y gct'c'y kt'g'qp'p'wo gt'qwu"  
qeecul'qpu0Qpeg'y g'ecug'y cu'wp'ug'cm'f . 'uj g'eqpvkpwgf 'vq'y qtn'cu'Rtko gau'F kt'gev't'qh'Rgthqto cpeg'k0 r tqxgo gpv'gxgp"  
y qwi j 'k'j cf 'dggp'o cf g'engct 'vq'j gt'y cv'uj g'eqwf 'mq'ug'j gt'lqd'kh'uj g'eqpvkpwgf 'vq'hki j v'ci clpuv'j gt'go r mq{gtu0'  
w'p'ry hwl'r t'ce'v'egu0'Wphqt'wpcv'gn' . 'O u0Dgtpu'gp'y cu'wp'cd'ng'vq'lq'kp'wu'htq'y g'cy ctf u'f lppgt.'cpf 'j gt'cvqtpg{ . 'Grc'k'p'g'  
U'tqo i tgp'qh'Vj g'Leo gu'J q{gt'Ncy 'Hkto . 'ceegr v'gf 'y g'cy ctf 'qp'j gt'dgj c'ht0

Ugeqpf . 'P gki'r t'gugpv'gf 'y g'Ncy {gt'qh'y g'l gct'Cy ctf 'vq'VCHGH'o go dgt'Lqtf cp'Vj qo cu0'Lqtf cp'lq'k'p'gf 'y g'rcy "  
hko 'qh'Ncdcv'q'U'wej ctqy 'kp'4233'chgt'gki j v'{gtcu'cv'y g'UGE . 'y j gt'g'j g'ugt'xgf 'cu'Cuukucpv'Ej lgh'Nkiki cvk'p'  
Eqwp'ugn'cpf 'Cuukucpv'F kt'gev't'kp'y g'F kxkuk'p'qh'Gphqtego gpv0'k0'cf f k'k'p'v'q'tgr t'gugpv'kpi 'y g'UGE'kp'p'wo gt'qwu"  
o clqt'gphqtego gpv'ce'v'k'p'u'kp'y g'h'k'p'ek'cn'cpf 'dcp'n'kpi 'kp'f wut'kgu.'Lqtf cp'r'nc{gf 'c'ngcf kpi 't'qng'kp'y g'f'gxgn'r o gpv'qh'  
y g'UGE'Y j kuvgdny gt'Rtqi tco 0Qp'O ctej '3; . '423: . 'y g'Ug'ewt'k'kgu'cpf 'Gzej cpi g'Eqo o ku'k'p'c'ppqwp'egf 'y g'  
rc'ti gu'v'gxg't'cy ctf u'kp'y g'j kuvqt{ 'qh'y g'UGE'y j kuvgdny gt'r tqi tco 0"



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TAXPAYERS  
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The awards, a total of approximately \$83 million, went to three individuals whose reports of wrongdoing by Bank of America's Merrill Lynch Unit led the way to a \$415 million settlement with the banking giant. The three whistleblowers were represented by Jordan Thomas. The SEC had announced the underlying settlement in June of 2016, stating that Merrill Lynch had "agreed to pay \$415 million and admit wrongdoing to settle charges that it misused customer cash to generate profits for the firm and failed to safeguard customer securities from the claims of its creditors." The agency's investigation revealed that Merrill Lynch had violated the SEC's Customer Protection Rule by engaging in questionable trading activities on its own behalf, using customer cash that should have set aside in protected reserve accounts. Merrill Lynch also failed to comply with SEC requirements that securities owned outright by customers be held in lien-free accounts and shielded from claims by third parties in the event of a firm collapse.

Third, Neil presented a second Whistleblower of the Year award to Patrick O'Connell of the Law Offices of Patrick J. O'Connell. Pat has been a committed member of the TAFEF leadership for many years, devoting time and resources to the cause. In fact, Pat's dedication to false claims enforcement dates back to his tenure as Chief of the Texas Attorney General's Civil Medicaid Fraud Section, during which he was awarded TAFEF's "Honest Abe" Integrity in Government Award. This was an extraordinary year for Pat in successful case resolutions, and he helped to secure an important decision that will benefit the entire qui tam bar. Pat was involved in the resolution of four qui tam actions this year, including a case in which a respiratory equipment supplier agreed to pay \$9.68 million for knowingly submitting false claims to Medicare; a case in which the operator of long-term care and rehabilitation hospitals across the country agreed to pay the United States, Texas, and Louisiana a total of \$13,168,000 to resolve claims that it violated the False Claims Act and Texas and Louisiana state law by knowingly submitting claims tainted by violations of the Anti-Kickback Statute and the Stark Law to the Medicare and Medicaid programs; a case in which seven ambulance industry defendants agreed to pay the government a total of over \$21 million to settle allegations that they knowingly submitted kickback-tainted false claims to Medicare; and finally, a case against the Texas A&M Research Foundation which resolved allegations that the non-profit research arm of Texas A&M University submitted improper charges under grants from various government agencies.

Last, but certainly not least, Neil presented The Honorable John E. Clark with TAFEF's Lifetime Achievement Award. John Clark's extraordinary legal career of over 50 years has included federal and state government service, private practice, and tenures on numerous boards and commissions, and has been marked by a singular dedication to public service. He has served as a litigation attorney in the Criminal Division of the U.S. Justice Department, as an Assistant U.S. Attorney in Texas, and finally as the U.S. Attorney for the Western District of Texas, handling and supervising a wide variety of civil and criminal litigation for the United States. From 1981 to 1982 he served as a Justice of the Texas Court of Appeals for the Fourth District. He was a founder of the National Association of Former United States Attorneys and is a past president of that organization.

The logo for TAF Education Fund, featuring the letters 'TAF' in a white serif font inside a dark red rectangular box.

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Judge Clark has been a member of legal teams representing whistleblowers in health care fraud and defense contracting fraud cases that have resulted in recoveries totaling more than \$3 billion for the United States and the state Medicaid programs. The list of defendants in these matters reads like a Who's Who of corporate America, and includes GlaxoSmithKline, HealthSouth Corporation, SmithKline Beecham Clinical Laboratories, Science Applications International Corporation (SAIC), Boeing, Baxter International, Abbott Labs and Actavis. While in private practice, he has served as an appointed board member or commissioner of the National Institute of Corrections, the Texas Commission on Law Enforcement Officer Standards and Education, the Texas Ethics Commission and, of course, Taxpayers Against Fraud and the TAF Education Fund. In July of 2014, in his capacity a member of the TAF Board, Judge Clark testified before the House Judiciary Committee's Subcommittee on the Constitution and Civil Justice and presented eloquent and compelling testimony in defense of the False Claims Act. He spoke of the risks and consequences inherent in stepping forward as a whistleblower, particularly as an employee or officer of a business organization that persists in improper conduct. On behalf of the TAF Education Fund and its members, Neil acknowledged the debt of gratitude that we all owe to Judge Clark for his many years of service to the organization and its mission.

#### **About TAFEF**

TAFEF is a public interest non-profit organization dedicated to fighting fraud against the government by incentivizing integrity. Our mission is to maintain the integrity and advance the effectiveness of whistleblower reward and private enforcement provisions contained in federal and state laws, including the federal and state False Claims Acts, the Securities Exchange Act, the Internal Revenue Code, the Commodity Exchange Act, and the Motor Vehicle Safety Whistleblower Act. Through public-private partnerships, our organization protects and strengthens these incentive-based laws to advance the efficient use of taxpayer dollars.

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