



As federal agencies prepare to roll out new regulations to protect government information in the possession of government contractors against cyber threats—and to accelerate the procurement of cybersecurity products and services from industry—the emerging risks of False Claims Act (FCA) investigations and qui tam cases related to cybersecurity are an increasingly important consideration for contractors.

The Department of Justice's (DOJ's) Civil Cyber-Fraud Initiative, announced in October 2021, prioritizes enforcement of the FCA against companies and individuals that knowingly violate cybersecurity requirements in government contracts and grants. On March 8, 2022, DOJ announced its first resolution of a cyber fraud case since launching the initiative. Under the settlement, Comprehensive Health Services LLC agreed to pay \$930,000 to settle allegations that it violated the FCA by falsely representing to the Department of State and the U.S. Air Force that it complied with contract terms requiring that it maintain a secure electronic system for

medical records.

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