



The encouragement for whistleblower activity continues. Aside from the numerous public awareness campaigns via State Attorney Generals, as well as an onslaught of advocacy and legal websites offering encouragement, it now appears that Hedge Fund managers may be getting into the act. Believe it or not, US whistleblower lawsuits filed against drug companies could provide attractive investment opportunities.

It has been reported that 90% of health care fraud cases are qui tam actions, and it is well known that enforcement actions against pharmaceutical manufacturers have become the most lucrative type of health care fraud litigation on the basis of recovery amounts. According to an article appearing in *Chemistry World*, the hedge fund would bet on the outcome of the case by providing the whistleblower with money up front in return for a portion of the settlement amount.

In May of last year, a New England Journal of Medicine Special Report suggested that the personal toll on whistleblowers is very high, with most encountering financial difficulties, family conflicts and stress as a result of the length of the investigation process. The offer of an advance payment from a hedge fund in these cases could help smooth the process and reduce the emotional and financial burden on the whistleblower.

Legal settlements do not typically correlate with market movements, which can make them more appealing than other investments, particularly considering the uncertainty in the current financial system. "The investment community is already looking at those kinds of opportunities," says David Desser, Managing Director of Juris Capital, a US hedge fund that specializes in litigation finance.

Just one more incentive to file a qui tam suit for potential litigators...