

Press Coverage | March 31, 2025

Health System Settles FCA Case Over PPP Loan; Another Case Links Medicaid Conviction, PPP

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Cal Stein, a partner in Troutman Pepper Locke's White Collar Litigation + Investigations Practice Group, was quoted in the March 31, 2025 *Cosmos* article, "[Health System Settles FCA Case Over PPP Loan; Another Case Links Medicaid Conviction, PPP.](#)"

Organizations may run afoul of the PPP if they don't meet eligibility requirements to which they certified in writing, said attorney Callan Stein, with Troutman Pepper Locke. A biggie: companies were eligible for a PPP loan only if they and their affiliated entities together had a maximum of 500 employees. If your hospital employed 500 people but another location under the same ownership or control had additional employees, "you would have needed to count those employees as well," Crawford explained. There were other PPP eligibility requirements. For example, companies were ineligible if they're think tanks, required to register under the Foreign Agents Registration Act, or are political action organizations, he said.

Voldman gets why FCA lawsuits prevail in the PPP context. "There aren't good alternative explanations. It's hard to argue, 'We didn't know how many people were on the payroll.'" Even though the PPP is long over, organizations may want to examine the affiliate rule and how they spent the money "so you know where you stand," Stein said. "In certain circumstances, a facility might consider voluntarily repaying the loan."

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