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Troutman Pepper Secures Landmark Victory for ManPow, LLC, a New Western Company, Against Whistleblowers' False Claims Act Lawsuit

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LOS ANGELES – Troutman Pepper secured a full grant of summary judgment and complete dismissal, with prejudice, on behalf of ManPow, LLC, a New Western company, in a False Claims Act (FCA) lawsuit in the Central District of California. New Western is a dynamic player and industry leader in the real estate investment field. The win marks the first Paycheck Protection Program (PPP) fraud lawsuit under the qui tam provision of the FCA to be decided on summary judgment, which could set a precedent for future PPP litigation.

The lawsuit centered around two PPP loans acquired by ManPow during the pandemic, which were subsequently forgiven by the Small Business Administration (SBA). Allegations brought forth by three former employees, known as qui tam relators in this lawsuit, asserted primarily that ManPow falsely certified that it needed the PPP loans and that it had no real payroll expenses.

The court, however, found that ManPow had fully complied with PPP requirements as to reporting its payroll costs, and that ManPow necessarily certified its need for the PPP loans in good faith in light of a safe harbor provision adopted by the SBA with respect to PPP loans of less than \$2 million. The court also found that there was no genuine issue of material fact with respect to the materiality of all the allegedly false statements, relying in part on the SBA's decision not to reconsider its approval of ManPow's PPP loan and forgiveness applications and its decision not to ask ManPow to return any of the PPP proceeds, despite its knowledge of all the relators' allegations.

Troutman Pepper's legal defense was led by Partners [Callan Stein](#) and [Michael Lowe](#) and included Associates [Avrohom Einhorn](#), [Christy MacGregor](#), and [Zachary Epstein](#).

Troutman Pepper's award-winning White Collar + Government Investigations practice includes former government prosecutors, in-house compliance counsel, and seasoned defense attorneys who proactively resolve sensitive government investigations and proceedings. With decades of experience handling high-stakes civil and criminal government investigations throughout the country, the team can respond quickly to minimize risk. The group has extensive experience handling FCA and other whistleblower matters, whether brought by the government or individual whistleblowers, in a wide array of areas, including government contracting, health care, education, and financial services.

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