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Washington, DC (LifeNews.com) – The United States Court of Appeals for the Ninth

Circuit has reinstated the lawsuit filed by a former vice president of a Planned Parenthood abortion business affiliate in California. The case details allegations of massive fraud where the abortion giant overbilled state officials.

P. Victor Gonzalez says the abortion business fired him because he raised concerns about illegal practices of overcharging the state hundreds of millions of dollars on birth control.

The former Planned Parenthood official filed a lawsuit in March 2008 but, in January 2009, a federal district court judge dismissed the case and Gonzalez filed an appeal.

Represented by the American Center for Law and Justice, Gonzalez is now considered a federal whistleblower.

"This is a tremendous victory," Jay Sekulow, the ACLJ chief counsel, told LifeNews.com after the decision.

"While this case is by no means over, winning this appeal means we have gotten the federal claim over the threshold hurdles and can now get down to the heart of this case: the alleged fraud," he explained.

Gonzalez says his own internal audit estimates that Planned Parenthood overcharged California taxpayers for purchasing birth control by at least \$180 million.

He was the vice president of finance and administration for Planned Parenthood of Los Angeles and, according to a Los Angeles Times report, the overbilling began in the late 1990s.

While other public health facilities and private facilities charged the state between \$8 and \$9 for a cycle of birth control pills, Planned Parenthood charged almost \$12. The Planned Parenthood charge to the California government was several times more than it paid for the drugs originally.

Gonzalez alleges that other California-based Planned Parenthood affiliates and Planned Parenthood Affiliates of

California knowingly engaged in a scheme to defraud state and federal taxpayers by deliberately over-billing the Medi-Cal program.

Judge A. Howard Matz dismissed Gonzalez's suit in October 2008 and he ruled that Gonzalez did not qualify as a whistleblower under federal law because he was not the "original source" of the data exposing the fraud. As a result, he said his court lacked jurisdiction in the suit.

The federal False Claims Act (FCA) forbids government contractors from submitting "false or fraudulent" claims for payment. The FCA also authorizes private individuals to bring suit against the offenders to recover the fraudulently obtained funds.

The allegation in this case is that PP affiliates in California illegally marked up the supposed cost of various birth control drugs when seeking government reimbursement, resulting in tens of millions of dollars of overbilling – at taxpayer expense. State audits in both California and Washington State have found PP affiliates guilty of overbilling.

When Gonzalez sued Planned Parenthood, a prominent law firm began representing the abortion business at no cost to the defendants and asked the federal district court to dismiss the case on technical jurisdictional grounds.

The federal district court accepted their arguments in part, and dismissed the case. ACLJ attorneys then entered the case to handle the appeal.

"The question on appeal was whether the former PP employee is a proper whistleblower under the False Claims Act," said Sekulow. "We contended that the answer is 'Yes,' and now a three-judge panel of the Ninth Circuit has unanimously agreed with us."

According to the Los Angeles Times, Planned Parenthood overbilling occurred until state Sen. Hannah-Beth Jackson of Santa Barbara sponsored legislation allowing Planned Parenthood to charge more based on concerns the abortion business presented her that it would suffer financial problems without it.

However, altering the statute didn't address the billing practices prior to it and a 2003 state audit found at least \$5.2 million in overbilling in 2003 alone from just one of the nine California Planned Parenthood affiliates.

Medi-Cal officials first noticed the problems in 1997 and Planned Parenthood received two separate letters at that time pointing out the problems.

State officials now say Planned Parenthood was given conflicting information on billing practices. They say Planned Parenthood does not need to repay the millions it overcharged state taxpayers.

Still, Gonzalez wants the abortion business to be held accountable for firing him abruptly on March 9, 2004 for doing his job and pointing out that it was breaking the law.

In its legal papers, ACLJ notes a California Department of Health Services audit in 2004 found more than \$5 million in egregious over-billing in two years by the San Diego/Riverside Planned Parenthood affiliate.

In the reply brief filed with the appeals court on September 25th, the ACLJ counters arguments that the Planned Parenthood affiliates made in their own brief on appeal. In particular, the ACLJ brief takes Planned Parenthood to

task for “misrepresenting” the record in the case and for “improperly” trying to inject new materials into the case on appeal.

This is a very complicated, highly technical area of the law,” noted Sekulow.

“There is no way an ordinary citizen, no matter how just the claim or how egregious the fraud, could afford to take on a prominent law firm in a complex area of the law like this. We’re very pleased that the ACLJ was available to provide the high-powered analysis a case like this calls for,” he told LifeNews.com.

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