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U.S. ex rel. Oberg v. Pennsylvania Higher Educ. Assistance Agency

United States Court of Appeals, Fourth Circuit - March 13, 2014 - F.3d - 2014 WL 961560

Relator, on behalf of United States, brought qui tam action under False Claims Act (FCA) alleging that various state-created corporate entities intended to facilitate issuance of student loans defrauded United States Department of Education. Parties consented to final disposition by magistrate judge. The United States District Court for the Eastern District of Virginia dismissed action. Relator appealed. The Court of Appeals vacated and remanded, [681 F.3d 575](#). On remand, the United States District Court for the Eastern District of Virginia again dismissed action. Relator appealed.

The Court of Appeals held that:

- Remand was required to permit limited discovery as to question of whether Pennsylvania Higher Education Assistance Agency (PHEAA) was proper defendant under FCA;
- Remand was required to permit limited discovery as to question of whether Virginia Student Assistance Corporation (VSAC) was proper defendant under FCA; and
- Arkansas Student Loan Authority (ASLA) was an arm of the State, and was thus not a “person” subject to liability under FCA.