



Contra  
Costa  
County

To: Board of Supervisors  
From: Anna Roth, Health Services Director  
Date: March 10, 2020

Subject: APPROVE and AUTHORIZE a settlement with Families First, Inc.

**RECOMMENDATION(S):**

APPROVE and AUTHORIZE a settlement with Families First, Inc., in the False Claims Act lawsuit *County of Alameda, et al., ex rel. Helen Haeri Kim and Lisa Little Villela v. Families First, Inc.* (Alameda County Superior Court Case No. RG14733912), requiring payment of approximately \$630,379 to the County, as recommended by the Health Services Director. (100% Incoming Funds.)

APPROVE and AUTHORIZE the County Counsel, or designee, to execute the settlement agreement on behalf of the County.

**FISCAL IMPACT:**

The County will receive approximately \$630,379 in settlement funds from Families First.

**BACKGROUND:**

This relates to a settlement of a state False Claims Act lawsuit brought by relators on behalf of themselves, the State of California, and several counties, including Contra Costa County. The lawsuit was filed against Families First, Inc., a County contractor that operates group homes for children and youth with severe

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **03/10/2020** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Diane Burgis, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: March 10, 2020

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Stacey M. Boyd, Deputy

Contact: Matthew Luu,  
(925)957-5130

cc:



#### BACKGROUND: (CONT'D)

emotional and behavioral challenges. The lawsuit alleged that Families First failed to provide adequate day treatment intensive services, failed to assign adequate and appropriately trained staff, and submitted false billing statements, among other things, at its Davis, California, facility during the period from January 1, 2004, through December 31, 2014 (collectively, the “covered conduct”).

A settlement has been reached in the lawsuit. Under the settlement, Families First will pay the County approximately \$630,379 in damages. Families First will be released from all liabilities related to the covered conduct. Families First will continue to indemnify the County from penalties that arise from a state or federal audit involving the covered conduct. Families First also will not be released from criminal liability, any liability for out-patient services, any liability for services provided at facilities other than the Davis facility, or any liability for third-party claims unrelated to the covered conduct.

#### CONSEQUENCE OF NEGATIVE ACTION:

The litigation against Families First will not settle.