

FOR PUBLICATION
UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

United States of America ex rel. Ms.
MEI LING,

Plaintiff - Appellant,

and

UNITED STATES OF AMERICA;
FAIR HOUSING COUNCIL OF
THE SAN FERNANDO VALLEY,

Plaintiffs - Appellees,

v.

CITY OF LOS ANGELES, a
municipal corporation,

Defendant - Appellee,

and

CALIFORNIA AND COMMUNITY
REDEVELOPMENT AGENCY OF
THE CITY OF LOS ANGELES,
CRA - LA, a Designated Local
Authority, a public entity,

Defendants.

No. 25-249

D.C. No.
2:11-cv-00974-
JFW-JC

OPINION

Appeal from the United States District Court
for the Central District of California
Philip S. Gutierrez, District Judge, Presiding

Argued and Submitted April 23, 2026
Pasadena, California

Filed September 24, 2026

Before: Stephen A. Higginson, Jacqueline H. Nguyen, and
Daniel A. Bress, Circuit Judges.*

Opinion by Judge Nguyen

SUMMARY**

False Claims Act

The panel affirmed the district court’s order approving the settlement of a qui tam action brought under the False Claims Act (“FCA”) by relators Mei Ling and Fair Housing Council of the San Fernando Valley against the City of Los Angeles regarding misrepresentations by the City about its compliance with federal housing accessibility laws.

The United States intervened and proceeded with the suit. After years of litigation, the government, the Fair

* The Honorable Stephen A. Higginson, United States Circuit Judge for the Court of Appeals, Fifth Circuit, sitting by designation.

** This summary constitutes no part of the opinion of the court. It has been prepared by court staff for the convenience of the reader.

Housing Council, and the City agreed to settle the FCA claims for \$38,266,989, and the district court approved the settlement as fair, adequate, and reasonable. Separately, the City resolved a related investigation by the Department of Housing and Urban Development into the City's noncompliance with federal housing accessibility laws through a voluntary compliance agreement ("VCA"). Under the VCA, the City would spend at least \$200 million over ten years to remediate or build accessible housing. The VCA explicitly carved out any claims asserted in the FCA action.

Relators such as Ling are entitled to a share of any recovery in an FCA action if the government intervenes and proceeds with the action. Ling's entitlement to a share of the FAC settlement was not in dispute.

Under 31 U.S.C. § 3730(c)(5), relators are also entitled to a share if the government "elects to pursue its claim through any alternate remedy." The panel held that the VCA redressing the City's violations of federal housing accessibility laws was not an alternate remedy. Agreeing with other circuits, the panel held that § 3730(c)(5) assumes that an alternate remedy takes the place of the FCA suit. The panel concluded that under the circumstances of this case, the VCA did not take the place of the FCA suit or settlement, and so the VCA was not an alternate remedy. The panel therefore affirmed the district court's approval of the FCA settlement as fair, adequate, and reasonable.

The panel addressed additional issues in a simultaneously-filed memorandum disposition.

COUNSEL

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Shaun D. Jacobs, Supervising Assistant City Attorney; Kathleen A. Kenealy, Chief Assistant City Attorney; Denise C. Mills, Chief Deputy City Attorney; Hydee F. Soto, City Attorney; Los Angeles City Attorney's Office, Los Angeles, California; for Defendant–Appellee.

OPINION

NGUYEN, Circuit Judge:

Under the False Claims Act (“FCA”), private parties may bring an action on behalf of the United States (a “*qui tam*” action) against anyone who has defrauded the government. Private litigants pursuing the government’s interest in such an action—i.e., the “relators”—are entitled to a share of any recovery in the action if the government intervenes and proceeds with the action. 31 U.S.C. § 3730(d). The relators are also entitled to a share if the government “elect[s] to pursue its claim through any alternate remedy.” *Id.* § 3730(c)(5).

Here, Mei Ling and Fair Housing Council of the San Fernando Valley (“FHC”) brought a *qui tam* action against the City of Los Angeles (the “City”) regarding misrepresentations by the City about its compliance with federal housing accessibility laws. The United States (the “Government”) later intervened and proceeded with the suit. After years of litigation, the Government, FHC, and the City agreed to settle the FCA claims for \$38,266,989. The district court approved this settlement as fair, adequate, and reasonable. *Id.* § 3730(c)(2)(B). Ling’s entitlement to a share of this settlement is not in dispute.

Separately, the City resolved a related investigation by the Department of Housing and Urban Development (“HUD”) into the City’s noncompliance with federal housing accessibility laws through a voluntary compliance agreement (“VCA”). Under the VCA, the City would spend at least \$200 million over ten years to remediate or build accessible housing. The VCA explicitly carved out any claims asserted in this FCA action.

Ling appeals the approval of the settlement of the FCA claims, and her appeal turns on the construction of the phrase “pursue its claim through any alternate remedy.” *Id.* § 3730(c)(5). We address whether the VCA redressing the City’s violations of federal housing accessibility laws constitutes an alternate remedy under the FCA. We hold that under these circumstances, the VCA was not an alternate remedy. We affirm the district court’s approval of the FCA settlement as fair, adequate, and reasonable.¹

I.

HUD cannot provide housing funds to a local government until that local government certifies that it will comply with certain civil rights laws, including Section 504 of the Rehabilitation Act, the Fair Housing Act, and Title II of the Americans with Disabilities Act. These laws all require accessible housing for people with disabilities. From February 2005 to December 2018, the City received millions of dollars in federal housing program grants from HUD.

The FCA imposes liability on anyone who “knowingly presents, or causes to be presented, a false or fraudulent claim” to the Government “for payment or approval.” 31 U.S.C. § 3729(a)(1)(A). A private party, called a “relator,” may bring a *qui tam* action on the Government’s behalf. *See id.* § 3730(b)(1).

In February 2011, Ling and FHC filed the underlying action against the City, alleging that the City violated the

¹ Ling also appeals the denials of her 1) motion for an evidentiary hearing and limited discovery and 2) motion to alter or amend the judgment. We address these arguments, and Ling’s request for sanctions, in a memorandum disposition filed simultaneously with this opinion.

FCA through its receipt of federal housing funds despite repeated misrepresentations to HUD that the City was in compliance with federal housing accessibility laws.² The Government intervened in July 2017, and filed an amended complaint in December 2018. *See id.* § 3730(b)(2) (“[T]he Government may elect to intervene and proceed with the action. . . .”).

A. HUD Investigation and the VCA

In 2011, HUD initiated a separate investigation into the City’s noncompliance with housing accessibility requirements in Section 504 of the Rehabilitation Act, Title II of the Americans with Disabilities Act, and the Fair Housing Act. HUD’s review revealed “certain deficiencies related to the physical accessibility of certain designated accessible units and public and common areas of certain developments that were surveyed, as well as certain deficiencies in policies and procedures.” In January 2012, HUD issued a Letter of Findings of non-compliance and issued a Letter of Determination in February 2012.

In September 2016, the City’s officials sent a letter to the HUD Secretary, stating they:

appreciate your offer to have our representatives meet with your staff in Washington to discuss the challenges with the offset arrangement that was initially proposed by the Government, and to examine other options. As we discussed at our meeting, the City is prepared to enter into a

² Ling and FHC also sued the Community Redevelopment Agency of the City of Los Angeles (“CRA”) but subsequently reached a separate settlement agreement resolving all claims against CRA.

Voluntary Compliance Agreement (“VCA”) with HUD that would resolve allegations of the City’s past non-compliance with [federal housing accessibility laws]. To enter into a VCA, the City must also settle the related False Claims Act (“FCA”) action involving the U.S. Department of Justice (“DOJ”).

The City noted that “until a few weeks ago, we thought we were on the verge of a settlement agreement, under which DOJ, through HUD, would allow \$92 million of DOJ’s calculated actual damages for the FCA claims to be used to carry out the remediation of thousands of the City’s housing units.”

Following HUD’s referral of the matter to the DOJ for potential further enforcement in September 2017, the City asked to restart settlement negotiations with HUD. The DOJ deferred jurisdiction, and HUD issued a supplemental Letter of Findings in April 2019 and a Letter of Determination “sustaining the findings” in May 2019. In July 2019, HUD notified the City that it intended to withhold approximately \$80 million in federal housing funds. The next month, the City and HUD entered into a VCA to resolve the City’s civil rights violations.

Under the VCA, the City agreed to “carry out a program,” financed by both federal and nonfederal funds, to remediate or build accessible housing “with a value that averages a minimum of \$20 million per year” for ten years. Although the VCA resolved the City’s civil rights violations, it specifically excluded the Government’s FCA claims:

This Agreement does not, and shall not be construed to, resolve any claims that have

been or could be asserted in United States ex rel. Mei Ling, et al. v. City of Los Angeles, et al., No. CV-11-00974-PSG-JC (CDCA filed Feb. 1, 2011), or any other claims that the Department of Housing and Urban Development or the U.S. Department of Justice has or may have under the Fa[lse] Claims Act.

B. The Settlement of the FCA Claims

Litigation continued in this FCA action after the City and HUD entered into the VCA. Specifically, the Government and the City engaged in voluminous fact discovery until November 2023, and on March 1, 2024, the City moved for summary judgment.

At pre-trial mediation on March 5, 2024, the City offered a settlement amount to the Government. Following mediation, the parties negotiated and agreed on written terms for a settlement, which multiple levels of DOJ and City officials approved. In May 2024, the Government shared a copy of the not-yet-signed settlement with Ling. In June 2024, the Government, FHC, and the City executed the settlement for \$38,266,989. The Government, FHC, and the City subsequently moved for settlement approval, to which Ling objected.

In August 2024, the district court held a fairness hearing on the settlement, and approved the settlement. Pursuant to the settlement, the district court dismissed all claims against the City in October 2024, and recognized that Ling and FHC would “receive at least 15 percent but not more than 25 percent” of the settlement’s proceeds. Ling timely appealed.

II.

We review the district court’s interpretation of the FCA de novo, *United States ex rel. Mateski v. Raytheon Co.*, 816 F.3d 565, 568 (9th Cir. 2016), including “the proper construction of the phrase ‘pursue[s] its claim through any alternate remedy,’” *United States ex rel. Barajas v. United States*, 258 F.3d 1004, 1006 (9th Cir. 2001) (quoting 31 U.S.C. § 3730(c)(5)) (alteration in original).

The FCA’s requirement “that the proposed settlement is fair, adequate, and reasonable under all the circumstances” mirrors the language in Federal Rule of Civil Procedure 23 governing class action settlements. *Compare* 31 U.S.C. § 3730(c)(2)(B) *with* Fed. R. Civ. P. 23(e)(2) (“If the proposal would bind class members, the court may approve it . . . only on finding that it is fair, reasonable, and adequate. . . .”). We review approval of class action settlements for abuse of discretion. *Briseño v. Henderson*, 998 F.3d 1014, 1022 (9th Cir. 2021). Although “differences exist between *qui tam* suits and class actions, we see no reason to apply a different standard of appellate review to the approval of [FCA] settlements. . . .” *United States ex rel. Robinson v. HealthNet Inc.*, 124 F.4th 511, 519 (7th Cir. 2024). We therefore review the district court’s approval of an FCA settlement for abuse of discretion.³

III.

We first address Ling’s argument that the VCA was an “alternate remedy” and then consider whether the district court abused its discretion in approving the FCA settlement.

³ The parties also agree on abuse of discretion as the standard of review. *See Robinson*, 124 F.4th at 519 (“[N]or has any party advocated for a different standard.”).

A. An “alternate remedy” takes the place of the FCA suit.

Under the FCA, the relator is entitled to a share of the monetary recovery in the suit. *See* 31 U.S.C. § 3730(d). But:

the Government may elect to pursue its claim through any alternate remedy available to the Government, including any administrative proceeding to determine a civil money penalty. If any such alternate remedy is pursued in another proceeding, the person initiating the action shall have the same rights in such proceedings as such person would have had if the action had continued under this section.

31 U.S.C. § 3730(c)(5) (“alternate remedy provision”). By stating that the relator has the same rights to alternate remedies as they “would have had *if the action had continued under this section*,” *see id.* (emphasis added), the alternate remedy provision assumes an alternate remedy takes the place of the FCA suit.

Our sister circuits have recognized as much. The Fifth Circuit, analyzing the same provision, explained that “[c]learly, this language protects the rights of the relators once the Government elects to pursue an alternate remedy and ‘assumes that the original qui tam action did not continue.’” *United States ex rel. Babalola v. Sharma*, 746 F.3d 157, 161–62 (5th Cir. 2014) (quoting *United States ex rel. LaCorte v. Wagner*, 185 F.3d 188, 192 (4th Cir. 1999)). The Fourth Circuit similarly held that the alternate remedy provision “preserves the rights of the original qui tam

plaintiffs when the government resorts to an alternate remedy *in place of the original action*.” *LaCorte*, 185 F.3d at 191 (emphasis added). The court reasoned that the statutory language “assumes that the original *qui tam* action did not continue.” *Id.* at 192. Thus, the Fourth Circuit held that a settlement in another *qui tam* action was not an alternate remedy to relators’ separate *qui tam* action because “Section 3730(c)(5) simply preserves the rights of the original *qui tam* plaintiffs when the government resorts to an alternate remedy in place of the original action.” *Id.* at 191. There, the Government “intervened in the [relators’ *qui tam*] action, prosecuted it, and settled it with the[ir] consent.” *Id.* at 192. In *Barajas*, we similarly indicated that “the government can, and sometimes does, seek a remedy in such [an alternative] proceeding that effectively takes the place of the FCA remedy.” 258 F.3d at 1011.

Because an alternate remedy takes the place of the FCA suit, generally an alternate remedy involves another proceeding in lieu of the FCA suit. That said, there may be scenarios where the FCA suit proceeds by an alternate remedy and “effectively takes the place of the FCA remedy,” *id.*, even where the FCA suit remains ongoing. Whether or not a remedy takes the place of the FCA suit can therefore involve a fact-intensive evaluation. Under some circumstances, there could be issues of collusion or bad faith, which are relevant to whether a remedy took the place of the FCA suit.

B. Under these circumstances, the VCA did not take the place of the FCA suit or settlement so the VCA is not an alternate remedy.

The district court was correct that the VCA here was not an alternate remedy because it did not “take[] the place of the FCA remedy.” *See id.* at 1011; 31 U.S.C. § 3730(c)(5).

Ling relies heavily on *Barajas* to argue that the VCA is an alternate remedy, but *Barajas* is easily distinguishable from this case. In *Barajas*, the relator filed two *qui tam* actions. 258 F.3d at 1006. The first suit alleged that defendant Northrop engaged in “falsified and incomplete testing” of flight data transmitters. *Id.* at 1006–07. The second suit alleged that the transmitters delivered to the Government also suffered from defective damping fluid. *Id.* at 1007–08. The Government intervened and settled the first action, releasing Northrop from liability for “all FCA claims, civil or administrative monetary actions or claims, and actions or claims by the United States for restitution related to the claims in that action.” *Id.* at 1008 (citation modified). We affirmed the dismissal of the second suit as barred by claim preclusion “because it arose out of the same transactional nucleus” as the first, settled action. *Id.* at 1009 (citation modified). Outside of either litigation, Northrop and the Air Force entered into an agreement under which Northrop would provide transmitters with nondefective damping fluid to the Government and “cash payments” in exchange for the AirForce not pursuing administrative proceedings to suspend or disbar Northrop as a government contractor. *Id.* at 1006, 1008.

We acknowledged that a suspension or debarment proceeding “rarely will be” an alternate remedy under the FCA. *Id.* at 1012. But under the circumstances of that case,

we held the agreement with the AirForce was an alternate remedy. *Id.* at 1012–13. We explained that “the government pursued its suspension or debarment proceeding against Northrop, ultimately obtaining the Air Force Agreement . . . because claim preclusion was not a defense to [that] proceeding” *Id.* at 1012. The Government was thus “able to escape the consequence of its settlement of the first action by pursuing that alternative.” *Id.* “The notable consequence of this sequence [of events] is that the government now hopes to avoid paying Barajas the relator’s share to which he would have been entitled *if his second action had been permitted to go forward to a successful conclusion.*” *Id.* at 1012–13 (emphasis added).

Unlike *Barajas*, the Government and Ling were not precluded from continuing this action because of the VCA. Instead, this “action [was] permitted to go forward to a successful conclusion”: a \$38 million settlement. *See id.* The parties also explicitly carved out the FCA claims in the VCA, stating that it:

does not, and shall not be construed to, resolve any claims that have been or could be asserted in United States ex rel. Mei Ling, et al. v. City of Los Angeles, et al., No. CV-11-00974-PSG-JC (CDCA filed Feb. 1, 2011), or any other claims that the Department of Urban Development or the U.S. Department of Justice has or may have under the Fal[se] Claims Act.

This language is in stark contrast to the language of the agreement in *Barajas*. There, the agreement with the Air Force “appear[ed] to have explicitly taken into account the

overlap with the remedy [the relator] sought in his second action” by “specifically provid[ing] that it could be used by Northrop ‘in any civil proceeding in which Northrop attempts to obtain appropriate credit for funds paid or value received pursuant to this Agreement.’” *Barajas*, 258 F.3d at 1011. “The obvious ‘civil proceeding’ in which Northrop would have been able to receive ‘appropriate credit for funds paid or value received’ was, of course, [the] second *qui tam* action, in which [relator] sought a remedy for precisely the same problem . . . for which the Agreement provided a remedy.” *Id.* Whereas here, the VCA did not “overlap with,” and instead carved out, the FCA claims and the remedies sought through it. *See id.* at 1011.

Significantly, the purposes of the VCA and FCA settlement were different. The VCA did not seek to remedy the fraud against the Government. It sought relief for the City’s underlying civil rights violations: failure to comply with accessible housing requirements. In contrast, the FCA settlement resolves the allegations that the City falsely certified that it had complied with those obligations. The alternate remedy provision states “the Government may elect to pursue its claim through any alternate remedy available,” and the “claim” referred to in the provision is the false claim under the FCA. *See* 31 U.S.C. § 3730(c)(5); *see generally id.* § 3730 (titled “Civil actions for false claims”). As the D.C. Circuit explained, where “[t]he government’s separate enforcement action” does “not involve the type of claim cognizable under the False Claims Act,” the action does not implicate the alternate remedy provision, so the settlement of that action was not an alternate remedy. *United States ex rel. Kennedy v. Novo A/S*, 5 F.4th 47, 49, 54 (D.C. Cir. 2021). Even if “the underlying facts are similar to those in the earlier-filed *qui tam* lawsuit,” “[t]he plain text of the

False Claims Act confines *qui tam* plaintiffs to recoveries only for claims seeking relief based on the type of fraud or falsehoods covered by that statute.” *Id.* at 49. Similarly, the VCA here resolves “a different legal claim altogether, arising beyond the False Claims Act’s borders.” *See id.* at 56.

There was also no evidence of collusion or bad faith here connected to any supposed effort to deprive the relator of the fair share of her recovery. HUD and the City entered into the VCA in August 2019, and litigation continued in this case for five years after. The Government and City engaged in voluminous fact discovery until November 2023, and the City moved for summary judgment before the FCA settlement was reached. Ultimately, the parties settled the FCA claims only after years of extensive investigation and negotiation. If the parties colluded and the VCA was actually an alternate remedy effectively taking the place of the remedy in this litigation, then we would have expected the parties to settle the FCA claims shortly after entering the VCA and for much less. But that was not the case here. The active participation of an experienced mediator during the settlement process further undermines any allegation of collusion.

Ling is correct that an alternate remedy under the FCA can involve nonmonetary value. We have held that because the FCA does not define the term, “proceeds . . . need not always consist of money or some tangible asset.” *Barajas*, 258 F.3d at 1013 (citation modified). We reasoned that “if Northrop had not agreed to replace and repair the faulty [transmitters] and replace the defective damping fluid, the government would have had to pay to cure the problem. The value of the ‘proceeds’ of the Air Force Agreement is therefore the amount the government would have had to pay

to Northrop . . . to cure the problem that Northrop agreed to cure in the Agreement.” *Id.* at 1013.

The existence of such nonmonetary value, however, is not sufficient to show an alternate remedy. The VCA’s value here does not make it an alternate remedy. Under the VCA, the City agreed to comply with its federal statutory obligations by making accessible housing available. While the City’s compliance with federal laws is a benefit to the Government, this value redresses the City’s present violations and prevents future violations of federal housing accessibility laws. In contrast, the FCA settlement redresses the City’s past *fraud* by misrepresenting compliance with those laws and subsequently receiving federal funds. *See supra* pp. 15–16. The agreement in *Barajas* is distinct because it redressed the false claim at issue there: faulty transmitters with defective damping fluid. *See* 258 F.3d at 1006–08. In that case, the defendant’s fraud was the delivery of those transmitters to the Government, which was redressed by the agreement to “replace and repair the faulty [transmitters] and replace the defective damping fluid.” *Id.* at 1013.

Relatedly, Ling contends that “[i]f the government receives via the VCA the accessible housing it had bargained for, at the expense of the City, neither the [G]overnment nor the relators can expect to then proceed to recover in the FCA case damages for that same government loss.” This argument misconstrues the FCA claims’ purpose, which is not to address the underlying accessible housing violations but rather the City’s fraud in lying about those violations. *See supra* pp. 15–16. As detailed in the operative complaint, this action sought monetary damages and civil penalties for FCA violations, monetary damages for the City’s negligent misrepresentation to the Government, restitution for the

City's unjust enrichment, and monetary damages for the Government's payment by mistake. In contrast, the VCA required remedial actions by the City to comply with federal housing accessibility laws and ensure future housing complied with those laws. The City's remedial actions under the VCA do not nullify the Government's losses due to misrepresentations, unjust enrichment, and payment by mistake. Instead, the Government and relators recovered those separate losses via the settlement.

Under these circumstances, the VCA did not take the place of the FCA suit or FCA settlement. The VCA is therefore not an alternate remedy.

C. The district court did not abuse its discretion approving the FCA settlement because it is fair, adequate, and reasonable.

“The Government may settle the [FCA] action with the defendant notwithstanding the objections of the person initiating the action if the court determines, after a hearing, that the proposed settlement is fair, adequate, and reasonable under all the circumstances.” 31 U.S.C. § 3730(c)(2)(B). Because “the injury [relators] assert is exclusively to the Government,” the Government is afforded deference when settling a *qui tam* case. See *United States ex rel. Polansky v. Exec. Health Res., Inc.*, 599 U.S. 419, 425 (2023); *id.* at 437–48 (holding “the Government’s views are entitled to substantial deference” in the context of dismissal because a *qui tam* suit “is on behalf of and in the name of the Government”).

Ling contends that the district court abused its discretion by approving the settlement because it was a “significant drop from the United States’ calculation of damages which was more than \$500 million” and “the City had previously

offered the U.S. \$100 million to settle.” But as the district court noted in its order:

[T]he settlement arrives more than six years later after extended litigation, expansive discovery, and robust negotiations. The previous offers, and the size of those offers, were made in an entirely different context—which explains the series of increased, reduced, withdrawn, or amended offers. The City’s willingness to vigorously defend this case also provides insight into the discrepancy in the amount and potential strength of the City’s defense.

Ling acknowledges that the district court “referenced some of the litigation issues” but contends “those issues and the risks regarding them were known at the time the City made its \$100 million offer in 2016.”

The parties dispute that there even was a separate \$100 million offer, and the evidence of such an offer is limited. Whether or not such an offer existed is irrelevant, however, because the Government represented at the fairness hearing that it analyzed the total settlement amount through a “benefit-of-the-bargain approach” that compared the value of the City’s existing affordable housing to the value of the affordable and accessible housing the City would have developed had it complied with federal housing accessibility laws. The Government represented that because “most of the defects that have been identified [in this case] related to the mobility issues,” it focused on the federal requirement that at least five percent of the multifamily housing be accessible for mobile impairment. Based on that approach,

the Government calculated damages of \$26,800,000 and included a multiplier sum of \$11,466,989.

Although this amount differed from the damages the Government previously identified, the Government “reserv[ed] its right to reconsider the calculation of damages and the consideration of other appropriate damages methodologies.” Crucially, the City “repeatedly told the United States that each dollar it paid in settlement is a dollar that it must find in its budget and cannot otherwise spend on affordable, accessible housing, reducing homelessness, and other public goods.” These “public policy consequences” were entirely reasonable factors for the Government to consider because “unlike with private plaintiffs, the government’s interests are not confined to maximizing recovery against the defendant.” *See United States v. Everglades Coll., Inc.*, 855 F.3d 1279, 1288 (11th Cir. 2017), *abrogated on other grounds by United States v. Republic of Honduras*, 75 F.4th 1288, 1289 (11th Cir. 2023).

Ling also argues “the litigation position of the U.S. had improved since [2016] (having defeated the City’s motion to dismiss),” and “the other parties did not offer evidence . . . to prove what if any material changes or events had occurred since the \$100 million offer.”

But the parties did offer evidence. Although the district court denied the City’s motion to dismiss, it observed that “did not mean that the Government has already proven its case.” The City argued at summary judgment that its certifications of compliance with federal housing accessibility laws were not material to HUD and that the Government would fail to prove scienter or causation. Because those are necessary elements of the FCA claims, the district court found that even if the Government’s claims

survived summary judgment, “the Government faces an onerous task to establish the FCA claims at trial.” The Government also acknowledged that “[p]roceeding with the case would require the parties to engage in long, complex, and hard-fought litigation” and that costs would likely increase “without any guarantee of greater reward.” Contrary to Ling’s assertions, those arguments were not “known at the time the City made its [alleged] \$100 million offer in 2016” because the City moved for summary judgment in March 2024.

Additionally, the district court found that the parties reached the settlement amount “after extensive investigation and negotiation over the course of nine years and two mediations.” That the approved settlement was the result of mediation and discovery concluded before that mediation are material changes since the alleged \$100 million offer. The district court’s conclusion that “[t]he previous offers, and the size of those offers, were made in an entirely different context—which explains the series of increased, reduced, withdrawn, or amended offers,” was thus not “illogical, implausible, or without support in inferences that may be drawn from the record.” *See Schoenberg v. Fed. Bureau of Investigation*, 2 F.4th 1270, 1275 (9th Cir. 2021) (citation omitted).

Because “the very essence of a settlement is compromise, a yielding of absolutes and an abandoning of highest hopes,” *Officers for Just. v. Civ. Serv. Comm’n of SF*, 688 F.2d 615, 624 (9th Cir. 1982) (citation modified), and the Government is afforded deference when settling a *qui tam* case, *see Polansky*, 599 U.S. at 425, 437, the district court did not abuse its discretion approving the settlement amount as fair, adequate, and reasonable.

IV.

We affirm the district court's holding that the VCA was not an alternate remedy and its approval of the FCA settlement as fair, adequate, and reasonable.

AFFIRMED.