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Pharmaceutical company pays \$54 million in settlement for FCA violation

On January 6, Teva Pharmaceuticals agreed to pay \$54 million to settle allegations that the company violated the False Claims Act^[1] and the Anti-Kickback Statute^[2] by providing unlawful compensation to physician speakers. The allegations were based on whistleblowers' claims made in 2013.

According to the Shepherd, Finkelman, Miller & Shah LLP news release:^[3]

“physicians who participated in alleged sham speaker programs wrote prescriptions for the two drugs—Copaxone and Azilect—that were filled at pharmacies across the country. After filling and dispensing the prescriptions, the pharmacies then submitted claims for reimbursement to various government-funded health care programs. The pharmacies' claims resulted in payments by the government for prescriptions that were allegedly induced through fraud, i.e., Teva's alleged illegal payments to physicians who wrote the prescriptions. Since Teva's actions allegedly caused the submission of false claims to the government via the dispensing pharmacies, those actions were alleged to constitute violations of the False Claims Act and the Anti-Kickback Statute ('AKS'), 42 U.S.C. § 1320a-7b, which criminalizes, among other things, 'knowingly or willingly' offering or paying a person 'remuneration,' in the form of kickbacks, bribes, or rebates, to 'induce' that person to 'recommend' the purchase of a drug covered by a 'Federal health care program.' 42 U.S.C. § 1320a-7b(b)(2).”

¹31 U.S.C. §§ 3729-3733.

²42 U.S.C. § 1320a-7b.

³ Shepherd, Finkelman, Miller & Shah, LLP, “Teva Agrees to Pay \$54 Million to Settle Allegations of Illegal Kickbacks Involving Two of the Company's Drugs – Azilect and Copaxone,” news release, January 6, 2020, <http://bit.ly/2Fy5ehC>.

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