GOVERNMENT OF THE DISTRICT OF COLUMBIA

Office of the Inspector General

Inspector General



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Contact:

Jaime M. Yarussi

jaime.yarussi@dc.gov

SETTLEMENT OF \$646 MILLION REACHED AGAINST OLYMPUS CORPORATION IN KICK-BACK CASE

Washington, D.C. – Inspector General Lucas announced today the District's collaboration with participating states and the federal government resulted in an agreement with Olympus Corporation of the Americas (Olympus) to settle allegations that the company obtained new business and rewarded sales by providing doctors and hospitals kickbacks, which included: consulting payments; foreign travel; lavish meals; and millions of dollars in grants and free endoscopes. Olympus admitted to violating the Anti-Kickback Statute (AKS), prohibiting payments to induce purchases paid for by federal healthcare programs. These kickbacks allowed Olympus to obtain more than \$600 million in sales and realize gross profits of more than \$230 million.

Olympus entered into a 3-year deferred prosecution agreement allowing it to avoid conviction if in compliance with the reform requirements outlined in the agreement. As part of the settlement, Olympus agrees to pay \$310.8 million to the federal government and states to resolve claims that Olympus' payment of kickbacks caused false claims to be submitted to federal healthcare programs. Pursuant to the settlement agreement, the District will receive \$365,501.12 — recovering the District's Medicaid reimbursements and civil penalties.

Inspector General Lucas extends thanks to Marcus A. Weeks, Esq., and LaShawn Brooks, Senior Auditor, from the Medicaid Fraud Control Unit at the D.C. Office of the Inspector General for representing the agency and the District in this important matter.

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The Office of The Inspector General for the District of Columbia is charged with initiating and conducting independent audits, inspections, and investigations of District government operations; serving as the principal liaison between the District government and the U.S. Government Accountability Office; forwarding to the appropriate authorities evidence of criminal wrongdoing that is discovered as the result of any audit, inspection, or investigation; and entering into a contract with an outside auditor to perform the Comprehensive Annual Financial Report (CAFR) of the District government for the fiscal year. The Inspector General is Mr. Daniel W. Lucas.