

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Inspector General**

Inspector General



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**\$390 MILLION SETTLEMENT AGAINST NOVARTIS PHARMACEUTICALS  
CORPORATION REACHED**

*Washington, D.C.* – Inspector General Lucas announced today that the District will receive \$453,773.41 as part of an overall settlement reached in collaboration with participating states and the federal government to recover \$390 million in civil damages and penalties for Medicaid, Medicare, and other federally-funded health care programs from Novartis Pharmaceuticals Corporation (Novartis).

This agreement settles allegations that Novartis violated the False Claims Act by engaging in several disguised kickback arrangements to increase the overall utilization of Exjade, a treatment for patients with underlying conditions affecting blood cells and/ or bone marrow.

Between 2007 and 2012, Novartis was alleged to have paid kickbacks to three specialty pharmacies – BioScrip, Accredo, and U.S. Bioservices – and therefore had significant control over how many patient referrals each pharmacy received. Novartis also allegedly pressured the specialty pharmacies by threatening to reduce the number of patient referrals they received. This resulted in Medicaid, Medicare, and other federal health care programs paying millions of dollars in false claims.

Inspector General Lucas commends Mr. Marcus A. Weeks, Deputy Director, and Ms. 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 case.

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The Office of The Inspector General for the District of Columbia is charged with initiating and conducting independent fiscal, management audits, inspections, and investigations of District government operations; serving as the principal liaison between the District government and the US 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.