

**United States Attorney Melinda Haag  
Northern District of California**

FOR IMMEDIATE RELEASE

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**PHARMACEUTICAL COMPANY AGREES TO PAY \$3.5 MILLION TO SETTLE  
FALSE CLAIMS ACT ALLEGATIONS**

SAN FRANCISCO - Mallinckrodt LLC, a pharmaceutical manufacturer, has agreed to pay \$3.5 million to settle allegations that it made improper payments to physicians and, as a result, caused the submission of false claims to Medicare and Medicaid between January 2005 and June 2010, United States Attorney Melinda Haag announced.

The civil settlement resolves a lawsuit filed in the United States District Court for the Northern District of California in April 2008 by a former employee of Mallinckrodt. The action was filed under the *qui tam* provisions of the federal False Claims Act and several state False Claims Acts, which permit private citizens, called "relators," to bring lawsuits on behalf of the United States or a state or commonwealth and receive a portion of the proceeds of a settlement or judgment awarded against a defendant. The relator in this action will receive approximately \$603,000 as his statutory share of the proceeds of this settlement.

The lawsuit alleged that, among other things, Mallinckrodt paid certain physician consultants for their participation in speaker programs, clinical trials, and meetings, or for the completion of certain forms, in order to induce them to write prescriptions for Mallinckrodt's drug products, namely Restoril, Magnacet, Tofranil-PM, and their generic equivalents. As a result of these payments, the suit alleged that Mallinckrodt caused the submission of tainted, false claims for payment to the Medicare and Medicaid programs.

"This settlement demonstrates this Office's commitment to protecting the integrity of the Medicare and Medicaid programs and ensuring that physicians are making care decisions without undue influence," said U.S. Attorney Haag.

The majority of the settlement funds, approximately \$3.173 million, will be paid to the United States which not only funds the Medicare program, but also contributes to the various Medicaid programs around the country. The remainder of the funds will be split between eight states and commonwealths including, California, Maryland, Missouri, New York, Ohio, Rhode Island, Utah, and West Virginia.

AUSA Erica Blachman Hitchings handled the case with the assistance of Lucille Yee, Michael Zehr, Kathy Terry, and Jessica Meegan. The settlement is the result of an investigation by the U.S. Department of Health and Human Services Office of Inspector General, U.S. Food

and Drug Administration Office of Criminal Investigations, the Federal Bureau of Investigation, and the National Association of Medicaid Fraud Control Units.

**Further Information:**

Case #: CV 08-1863 TEH

A copy of this press release may be found on the U.S. Attorney's Office's website at [www.usdoj.gov/usao/can](http://www.usdoj.gov/usao/can).

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at [www.cand.uscourts.gov](http://www.cand.uscourts.gov).

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