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# Abbott Laboratories Pays $5.475 Million In Settlement Of Healthcare Fraud Case

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The U.S. Department of Justice announced last week that **Abbott Laboratories**, a global pharmaceuticals and health care products company, has agreed to pay the United States almost $5.5 million to resolve allegations that it violated the **False Claims Act by giving kickbacks to healthcare providers** in exchange for the implantation of the company's biliary, carotid, and peripheral vascular stents. Biliary stents are used to treat obstructions that occur in the bile ducts, while carotid and peripheral vascular stents are used to treat circulatory disorders. (Carotid stents increase blood flow to the head, while peripheral stents increase blood flow to the rest of the body.)

A number of laws, including the aptly named **Anti-Kickback laws,** generally prohibit the giving of money or other financial incentives to doctors or hospitals in exchange for referrals or for the prescription of particular pharmaceuticals or supplies. These rules are intended to assure that doctors and other healthcare providers make decisions for their patients based solely upon medical necessity, and not because of some unlawful financial gain. Violations of the Anti-Kickback laws have the potential to result in false claims because, when a provider submits a claim to Medicare or Medicaid, the provider certifies that it has not violated these laws. Thus, if a healthcare provider is receiving kickbacks or is involved in an unlawful financial arrangement, the provider is also violating the False Claims Act, and could be subject to a **qui tam lawsuit for healthcare fraud.**

The aforementioned settlement resolves qui tam whistleblower allegations that Abbott Laboratories knowingly paid doctors to attend speaking engagements, conferences, and other academic activities, with the expectation that these physicians would then arrange for their affiliated hospitals to purchase Abbott's carotid, biliary and peripheral vascular stents. As a result, the lawsuit alleges that Abbott violated the Anti-Kickback laws and caused the submission of false claims to Medicare for the procedures in which their vascular stents were used.

The qui tam whistleblowers in this case were two former Abbott employees, Steven Peters and Douglas Gray. Under the qui tam provision of the False Claims Act, whistleblowers are able to file a lawsuit on behalf of the United States for fraudulent claims brought against it, and are also able to share in any monetary recovery. For their part in bringing this case to the attention of the United States government, Peters and Gray will receive a total payment of more than $1 million.

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