

UCB Pharmaceuticals False Claims Act \$ 34 Million Settlement

The “Abe Lincoln Law” is –A Tool for Taxpayers, Whistleblowers and the Government to Fight Fraud – And Effective Against European Pharmaceutical Companies Operating In the USA

In criminal case filings of June 8, the U.S. Department of Justice revealed a proposed civil settlement with Brussels, Belgium pharmaceutical giant, UCB, of nearly \$ 26 million, plus a proposed criminal sanction of over \$ 8.6 million. The proposed settlement would include both the United States Department of Justice and the Attorneys General of many of the United States, in resolution of two False Claims Act *qui tam* actions initiated by whistleblowers and alleging violations of the False Claims Act related to UCB’s provision of the anti-epileptic prescription pharmaceutical, Keppra, to various government programs, including Medicare, Medicaid, and the VA Hospitals and State Medicaid programs.

The proposed settlement is part of an overall public-private partnership between False Claims Act *qui tam* whistleblower plaintiffs who live on opposite coasts of the USA, bringing suit against a pharmaceutical company headquartered in Brussels, Belgium. One of the UCB whistleblowers is from Maine and another from Oregon. Their cases are part of the overall settlement—working together with federal and state civil and criminal prosecutors.

“With this proposed settlement, the False Claims Act shows that it is a cost-effective way to attack and prosecute False Claims Act violations,” said **Ann Lugbill, a Cincinnati, Ohio attorney** who is counsel to the law firm of Murphy Anderson, an active member of the watchdog group, **Taxpayers Against Fraud**, and co-author of the book, ***False Claims Act: Whistleblower Litigation***. **Ann Lugbill** and **Mark Hanna** of **Murphy Anderson PLLC** represented the Maine whistleblower, together with co-counsel **Rebecca Webber** of the **Auburn, Maine** firm of **Linnell, Choate & Webber, LLP**. Murphy Anderson attorney **Michelle Woolley** also assisted in the matter.

“This settlement is appropriately announced in the 25th anniversary year of the enactment of the modern False Claims Act,” remarked Lugbill, referring to President Reagan's 1986 signing of the False Claims Act Amendments. Attorney **Rebecca Webber** noted the importance of Maine’s Whistleblower Protection Act, which provides broad protection for employee whistleblowers. Maine, however, lacks the important False Claims Act *qui tam* laws enjoyed by over 25 other U.S. States—“thus the wisdom of a joint federal and Maine law approach,” she commented.

UCB is an international world-wide company. Two Research Centers are in Braine-l'Alleud, Belgium and in Slough, U.K. Main development sites are in Atlanta (U.S.), Braine-l'Alleud (Belgium), Monheim (Germany), Research Triangle Park (U.S.), Slough (U.K.) and Tokyo

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(Japan). UCB has over 40 worldwide locations, including in Australia, Austria, Belgium, Brazil, Bulgaria, Canada, China, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, India, Ireland, Italy, Japan, South Korea, Luxembourg, Mexico, Netherlands, Norway, Poland, Portugal, Romania, Russia, Spain, Sweden, Switzerland, Turkey, and United Kingdom.

The U.S. False Claims Act works by paying a bounty to those whistleblowers who come forward and file a lawsuit, in partnership with the U.S. Government, to recover funds that fraudulent contractors have received from the Government. The False Claims Act has been responsible for over \$ 22 billion in recoveries from fraudulent contractors, since the 1986 Amendments. In virtually every year since 1986, recoveries have increased over the prior year. Over 1,000 False Claims Act cases are believed to be pending under seal, awaiting increased Government resources, agents, and lawyers to prosecute the fraudulent contractors.

The **Murphy Anderson** firm is a public interest firm with a varied practice, representing whistleblowers, trade unions, and individuals. The **Murphy Anderson** firm represented one of the **Pfizer** whistleblowers, **Glenn DeMott**, of Columbus, Ohio who helped to bring about the record-breaking \$ 2.3 billion settlement in 2009. Their attorneys have been counsel in dozens of other successful False Claims Act cases.

Linnell, Choate & Webber has decades of experience in employment law and initiated this case with a claim in the Maine Human Rights Commission. The firm joined with Murphy Anderson to prosecute the federal *qui tam* claims, combining its Maine whistleblower law knowledge with Murphy Anderson's extensive experience with False Claims Act *qui tam* cases.

This settlement shows the importance of the False Claims Act and the recent amendments in the Fraud Enforcement and Recovery Act (FERA) in May 2009 and how they strengthen the Department of Justice's ability to pursue fraud claims against those who cheat the Federal Government. Over 25 states, including New York, Michigan, Illinois, Indiana and Florida, now have their own False Claims Acts.

<http://www.murphypllc.com/firm-news/>

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Shelley D. Russell, a shareholder in the Portland, Oregon firm **Crispin Employment Lawyers**, represented the Oregon relator.

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