

In conjunction with a national healthcare fraud settlement with Abbott Labs, North Carolina has recovered \$15.8 million. That is the state's portion of the recently announced \$800 million settlement between Abbott Labs and the federal government and states involving the drug Depakote. That drug was approved by the FDA to treat seizures and mania associated with bipolar disorder and to prevent migraines. Abbott Labs was accused of making false and misleading statements about the safety, efficacy, dosing, and cost-effectiveness of Depakote for some unapproved uses, improperly marketing the product in nursing homes, and paying unlawful compensation to healthcare professionals to get them to promote and/or prescribe Depakote.

The case began with four whistleblower cases filed under state and federal false claims statutes. The cases were consolidated in the United States District Court for the Western District of Virginia. The North Carolina share of the settlement was reached by the North Carolina Attorney General's Medicaid Investigations Division and the North Carolina Division of Medical Assistance.

In recent years, states and the federal government have stepped up the use of False Claims Act suits to help prevent fraud on healthcare programs and to recover monies out of which the government was defrauded. Qui tam (whistleblower) suits are often brought by individuals who have knowledge of fraud committed against the government by a company. A whistleblower who helps expose such fraud often receives a portion of the amounts recovered.