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Omnicare, Inc., a supplier of drugs to nursing homes, agreed to settle a whistleblower lawsuit claiming it paid a kickback in buying a pharmacy company and that it submitted false claims for reimbursement to government health insurers. The whistleblower lawsuit was filed in 2007. The whistleblower asserted that Omnicare's \$25 million purchase of Total Pharmacy Services, LLC in 2004 included a kickback to one of its owners. That payment helped Omnicare win contracts with nursing homes owned or controlled by the pharmacy company owner's father. Those contracts with nursing homes provided Omnicare thousands of elderly and disabled customers.

The suit against Omnicare was brought under the False Claims Act, a statute which allows whistleblowers to sue on behalf of the government and share in any recovery. In May, Omnicare settled a case with the Justice Department for \$50 million. That case involved Omnicare providing nursing home residents medicines without a prescription, with missing prescription information, or without documentation. In November 2009, Omnicare agreed to pay \$98 million to settle civil allegations by the federal government and some states that it took kickbacks from Johnson & Johnson.

The False Claims Act has served an important role in recovering monies out of which government entities were defrauded. With a whistleblower suit, under either the federal False Claims Act or state-law counterparts, a whistleblower files suit on behalf of the government. The whistleblower shares in the amounts recovered through the suit.