

GlaxoSmithKline to Pay \$3 Billion to Settle Healthcare Fraud Case

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GlaxoSmithKline recently agreed to plead guilty to misdemeanor criminal charges in what has been called the largest case of [healthcare fraud](#) in U.S. history. The drugmaker will pay \$3 billion in criminal and civil penalties to settle the charges.

Prosecutors had alleged that GlaxoSmithKline broke several U.S. laws in the marketing and development of its most popular pharmaceuticals. For instance, GlaxoSmithKline allegedly marketed the antidepressant Paxil to patients under age 18 when it was approved for adults only and touted the drug Wellbutrin for unapproved uses like weight loss and treatment of sexual dysfunction. The company also resolved allegations that it paid kickbacks to doctors to prescribe those drugs as well as the drugs Imitrex, Lotronex, Flovent and Valtrex.

Several trends are evident in this case:

- Healthcare fraud cases are growing more complex. The GlaxoSmithKline case involved numerous allegations, some dating back to the 1990s. Although the investigation was largely conducted by the U.S. Department of Justice, officials from the Food and Drug Administration and the Department of Health and Human Services also participated.
- Penalties for healthcare fraud are growing. The settlement, which includes civil and criminal penalties, is the largest healthcare fraud settlement in U.S. history. The Department of Justice characterized the settlement as “a clear warning to any company that chooses to break the law.”
- Healthcare fraud charges can force companies to change the way they conduct business. The settlement agreement also contains a corporate integrity agreement, which details several severe restrictions. For instance, GlaxoSmithKline must change the way its sales force is compensated to remove compensation based on sales goals for territories.

When facing a healthcare fraud investigation, it is imperative that a subject retain a skilled defense attorney as soon as possible. An experienced lawyer can help minimize the consequences of civil and criminal healthcare fraud charges.

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About Ashley D. Adams, PLC

At Ashley D. Adams, PLC, we have a well-established track record of success in false claim cases that can make a difference. For both organization defending against false claims charges

and individuals pursuing qui tam claims, Ashley's background with the complex law is a substantial advantage.

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