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MEMORANDUM

TO: The Honorable Steven Soddors, Chair, Senate Judiciary Committee
The Honorable Charles Schneider, Ranking Member, Senate Judiciary Committee
The Honorable Chip Baltimore, Chair, House Judiciary Committee
The Honorable Mary Wolfe, Ranking Member, House Judiciary Committee
Ms. Beth Lenstra, Legislative Services Agency

FROM: Eric Tabor, Chief Deputy

RE: 2014 False Claims Act Annual Report

DATE: July 2015

2014 False Claims Act Annual Report

This annual report concerning activity under Iowa's False Claims Act ("Act"), Iowa Code chapter 685, is submitted by the Office of Attorney General ("Office") pursuant to 2010 Iowa Acts, chapter 1031, section 345. (Attached.)

1. There were no cases filed under the Act by the Office during the previous calendar year (2014).
2. There were 50 cases filed under the Act by qui tam plaintiffs during the previous calendar year (2014).
 - 2a. The qui tam cases were filed in United States District Courts in California, Central District (2); California, Eastern District (1); California, Northern District (1); California, Southern District (1); Delaware (1); District of Columbia (2); Florida, Middle District (3); Georgia, Northern District (1) Illinois, Northern District (3); Illinois, Southern District (1); Iowa, Southern District (1); Maryland (2); Massachusetts (7); Missouri, Western District (2); New Jersey (1); New York, Eastern District (1); New York, Southern District (6); North Carolina, Western District (2); Pennsylvania, Eastern District (6); Rhode Island (1); South Carolina (1); Tennessee, Middle District (1); Texas, Southern District (1); Washington, Western District (1); Wisconsin, Eastern District (1).

2b. All of the cases involved the Medicaid program.

2c. The Office does not know whether the qui tam plaintiffs previously filed an action in another jurisdiction.

3. In cases that were filed in court, the state recovered the following amounts under the Act during the previous calendar year (2014):

- \$327,587.62 – No. 08-3314 (U.S District Court for the Southern District of Texas): *U.S. ex rel. Banigan and Templin v. Organon USA, Inc.*

Of this amount, the State money recovered was \$213,024.83. There was no state relator share.

- \$1,958.82 – No. 10-999 (U.S. District Court for the Eastern District of Pennsylvania): *U.S. ex rel. Smith v. Astellas Pharma US, Inc.*

Of this amount, the State money recovered was \$341.78 and penalty amount was \$341.78. There was no state relator share.

In cases that were settled prior to the filing of a lawsuit, the state recovered the following amounts under the Act during the previous calendar year (2014):

- \$125,110.05 was recovered of which \$46,341.07 was the state share.
Carefusion Corp.
No state relator share.
- \$90,446.18 was recovered of which \$33,192.22 was the state share.
Endo Pharmaceuticals, Inc.
No state relator share.
- \$5,330.01 was recovered of which \$1,911.97 was the state share.
Omnicare, Aranesp.
No state relator share.
- \$29,372.72 was recovered of which \$10,656.28 was the state share.
Genzyme Corp.
No state relator share.
- \$4,854.12 was recovered of which \$1,928.24 was the state share.
Kmart Inc.
No state relator share.
- \$12,439.72 was recovered of which \$4,503.22 was the state share.
Novartis Pharmaceuticals, Visudyne
No state relator share.

- \$4,261.13 was recovered of which \$1,705.49 was the state share.
Medtronic
No state relator share.
- \$176,707.45 was recovered of which \$82,694.07 was the state share.
Omnicare, Inc.
No state relator share.
- \$1,068,689.64 was recovered of which \$413,629.36 was the state share.
Shire Pharma.
No state relator share.

In the only in-state case settled prior to the filing of a lawsuit, the state recovered the following amount under the Act during the previous calendar year (2014):

- \$373,858.94 – Institute for Therapy & Psychological Solutions
No state relator share.

2010 Iowa Acts
Chapter 1031, Section 345

Sec. 345. ANNUAL REPORTING REQUIREMENT. On the thirtieth day after the effective date of this division of this Act, and on the anniversary of the effective date of this division of this Act each year thereafter, the attorney general shall submit to the chairpersons and ranking members of the house and senate committees on judiciary, the legislative caucus staffs, and the legislative services agency, in electronic format, a report containing all of the following information:

1. The number of cases the attorney general filed during the previous calendar year under this chapter.

2. The number of cases qui tam plaintiffs filed under this chapter during the previous calendar year, including those cases that remain under seal, and specifying all of the following for the cases:

a. The state or federal court in which each case was filed and the total number filed in each court.

b. The state program or agency involved in each case.

c. The number of cases filed by qui tam plaintiffs who previously filed an action based on the same or similar transaction or allegation under the federal False Claims Act or the false claims act of another state.

3. The amount recovered by the state in the form of settlement, damages, penalties, and litigation costs, if known, and specifying the following for each case:

a. The case number and parties for each case in which there was a recovery.

b. The amount of funds recovered respectively for damages, penalties, and litigation costs.

c. The percentage of the recovery and the amount that the state paid to any qui tam plaintiff.