

# **Massachusetts' Biogen agrees to pay \$900 Million for alleged kickbacks to physicians**

“Pharmaceutical company Biogen Inc. (Biogen), based in Cambridge, Massachusetts, has agreed to pay \$900 million to resolve allegations that it violated the False Claims Act by causing the submission of false claims to Medicare and Medicaid by paying kickbacks to physicians to induce them to prescribe Biogen drugs.

The settlement announced today resolves a lawsuit filed and litigated by former Biogen employee Michael Bawduniak against Biogen under the qui tam or whistleblower provisions of the False Claims Act, which permit a private party (known as a relator) to file a lawsuit on behalf of the United States and receive a portion of any recovery. The United States may intervene in the action or, as in this case, the relator may proceed with the lawsuit.

In his lawsuit filed in the District of Massachusetts, Bawduniak alleged that Biogen paid kickbacks to physicians to induce them to prescribe the company's multiple sclerosis drugs. According to the relator's complaint, from Jan. 1, 2009, through March 18, 2014, Biogen held programs through which it offered and paid remuneration, including speaker honoraria, speaker training fees, consulting fees and meals, to health care professionals who spoke at or attended Biogen's speaker programs, speaker training meetings or consultant programs to induce them to prescribe the drugs Avonex, Tysabri and Tecfidera in violation of the Anti-Kickback Statute.

“We thank Mr. Bawduniak for uncovering this behavior and

bringing it to light,” said United States Attorney Rachael S. Rollins. “This matter is an important example of the vital role that whistleblowers and their attorneys can play in protecting our nation’s public healthcare programs.”

“Bawduniak doggedly pursued this matter on behalf of the United States for over seven years,” said Principal Deputy Assistant Attorney General Brian M. Boynton, head of the Department of Justice’s Civil Division. “The settlement announced today underscores the critical role that whistleblowers and their attorneys play in utilizing the False Claims Act to combat fraud affecting federal healthcare programs.”

Under the terms of the settlement, Biogen will pay \$843,805,187 to the United States and \$56,194,813 to 15 states. The United States will pay Bawduniak a share of the federal recovery.

The case was monitored by the Department of Justice’s Civil Division’s Commercial Litigation Branch and the U.S. Attorney’s Office for the District of Massachusetts.

The claims resolved by the settlement are allegations only and there has been no determination of liability.” -Massachusetts Department of Justice.