

CPM Achieves Largest False Claims Act Recovery in California History

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In May 2011, Niall P. McCarthy and Justin T. Berger finalized the \$241 million settlement of a health care whistleblower case filed by the firm in 2005 against the largest provider of medical laboratory testing in California. The case is a "false claims" action filed by Chris Riedel, who owns a lab company, Hunter Laboratories of Campbell, California. The California Attorney General's office joined the case in late 2008. The lawsuit alleged that, despite state law requiring that California receive the lowest price for lab services, Quest Diagnostics, the largest lab in California, routinely billed California prices far above what they were charging others. This outcome is literally historic: the \$241 million settlement is the largest false claims act recovery in California history, and the largest single-state False Claims Act settlement ever in United States history.

Additionally, in September 2011, CPM reached a settlement with the second largest laboratory in California – Laboratory Corporation of America ("LabCorp") – for a further \$49.5 million. This settlement brings the total amount recovered for California to \$301 million, including several settlement with smaller defendants.

Niall P. McCarthy stated, "There is no shortage of bilking the state and federal governments, especially in the healthcare industry. This case demonstrates that with one courageous whistleblower, like Chris Riedel, and a team of dedicated private and government attorneys, massive amounts of money can be returned to taxpayers. Corporations cannot be allowed to treat the government like a broken ATM machine that gives out free money."

[Click here to view the complaint.](#)

[Click here for the San Jose Mercury News article.](#)

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Practice Areas

False Claims / Whistleblower Law

False Claims Act