

\$48.5 Million Settlement in Whistleblower Lawsuit

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The United States Department of Justice today announced a \$48.5 million settlement of claims against Health Diagnostic Laboratories (“HDL”) and Singulex, Inc., in a False Claims Act case filed by Cotchett, Pitre & McCarthy on behalf of a whistleblower in late 2011. HDL is a Richmond, Virginia-based laboratory that specializes in coronary heart disease testing. Singulex is a laboratory based in Alameda, California. CPM prosecuted the case jointly with two other whistleblower actions filed by the law firms of Phillips & Cohen LLP, and Pietragallo Gordon Alfano Bosick & Raspanti, LLP. CPM was assisted in the case by the Steven N. Berk, of Berk Law PLLC, based in Washington D.C.

The lawsuit alleged that HDL and Singulex sought to illegally induce the referral of Medicare business by paying kickbacks to doctors in the form of inflated “packaging” fees for drawing blood specimens and packaging them for shipping.

CPM’s client, whistleblower Chris Riedel, is the owner of Hunter Heart laboratories, and uncovered the scheme when he encountered difficulty getting business from doctors who were being paid “packaging” fees by HDL and Singulex.

Niall P. McCarthy of Cotchett, Pitre & McCarthy, LLP stated, “Chris Riedel has repeatedly put his livelihood and reputation on the line to return money to taxpayers, and clean up the laboratory industry. In this era of exploding healthcare costs, whistleblowers like Chris are desperately needed.”

The settlement came after more than three years of investigation by the United States Department of Justice. Mr. Riedel and the other whistleblowers will receive between 15% and 25% of the \$48.5 million settlement, as a reward for bringing the scheme to light.

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Practice Areas

False Claims / Whistleblower Law

\$48.5 MILLION SETTLEMENT IN WHISTLEBLOWER LAWSUIT

The Department of Justice also announced that it is intervening in the lawsuit with respect to several other Defendants, including BlueWave Healthcare Consultants Inc., which is named in CPM's lawsuit.

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