



Attorney General Doug Peterson

News Release

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Contact: Suzanne Gage
402.471.2656
Suzanne.gage@nebraska.gov

FOREST LABORATORIES AND FOREST PHARMACEUTICALS TO PAY \$38 MILLION TO RESOLVE KICKBACK ALLEGATIONS

LINCOLN – Today, Nebraska Attorney General Doug Peterson announced that the State of Nebraska joined with other states and the federal government to settle allegations against Forest Laboratories LLC, and Forest Pharmaceuticals Inc. for violating the federal Anti-Kickback Statute. This law prohibits paying or otherwise compensating doctors to induce them into prescribing specific medications paid for by state and federal health care programs such as Medicaid. It was alleged that Forest paid kickbacks by providing payments and meals to certain physicians in connection with speaker programs about three of Forest’s drugs, Bystolic® (used to treat congestive heart failure), Savella® (a non-narcotic pain reliever), or Namenda® (used to treat dementia), between January 1, 2008 and December 31, 2011. The State alleged that the payments and meals were intended to induce physicians to prescribe the named drugs because the physician made various types of sham presentations about the drugs and the costs associated with the presentations sometimes exceeded Forest’s own internal cost limitations.

As a result of the \$38 million settlement, more than \$5 million will be returned to the states for fraud against their Medicaid programs, including nearly \$30,000 to Nebraska.

The investigation resulted from a whistle-blower action originally filed in the United States District Court for the Eastern District of Wisconsin under the federal False Claims Act and various state false claims statutes.

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