

# MFCU

## MEDICAID FRAUD CONTROL UNIT

OFFICE OF THE ATTORNEY GENERAL

Health Care Fraud and  
Elder Abuse Section



MEDICAID FRAUD CONTROL UNIT  
VIRGINIA OFFICE OF THE ATTORNEY GENERAL

# Abbott Laboratories Investigation

- Second Largest Health Care Case in U.S. History
- Largest Medicaid Fraud Case Investigated by a State in U.S. History:

**\$1.5 Billion**

# Result....

- Abbott had illegally marketed the drug Depakote for elderly in nursing homes to control behavioral disturbances in dementia patients
- Abbott paid rebates to health care professionals and long-term care pharmacies.

Abbott Pharmaceuticals pled guilty and agreed to pay **\$1.5 billion** to the federal government and the states to settle civil and criminal cases.

# What it took.....

- 4+ years working on this case
- 38,000+ man hours
- Nearly two million records reviewed
- Interviews in 26 states

# Civil

- \$560,851,357 Federal Government  
Federal Health Care  
Program
- \$239,148,643 State Medicaid Program
- \$ 84,000,000 To Whistleblowers

# Criminal

- \$500,000,000 Fine
- \$ 1,500,000 To the Virginia MFCU for Investigative Costs
- \$198,500,000 To United States Treasury for Asset Forfeiture

# Abbott Laboratories

## Recovery to the Virginia Medicaid Program

Total Medicaid Settlement (State/Federal)	\$7,846,226
Federal Share	\$3,577,097

### State Funds Breakdown

• State Share	\$4,269,129
• State Relator Share	(\$ 380,632)
• Net State Share	\$3,888,496
• Interest	86,479
• Total Check Amount	\$3,974,975

# Breakdown of Asset Forfeiture Funds

<b>Award Amount</b>	<u>\$115,081,181</u>
Funds sent to law enforcement agencies	\$ 43,344,490
Commonwealth's Attorneys' Service Council	\$ 18,000,000
Commonwealth's Attorneys – individual distribution	\$ 2,000,000
Internal Funds	\$ 10,367,251
Retirement Fund	\$ 30,000,000
Public Safety Memorial	\$ 1,119,835
<b>Total Distributed</b>	<u>\$104,831,576</u>
<b>Remaining Undistributed</b>	<b>\$ 10,039,581</b>
Remaining unobligated	\$ 210,024

# Breakdown of Court-Ordered Recoveries by Fiscal Year

Fiscal Year	Total Awarded
July '07 – June '08	\$ 541,099,617
July '08 - June '09	\$ 27,607,670
July '09 – June '10	\$ 25,390,467
July '10 – June '11	\$ 14,573,789
July '11 – June '12	\$ 40,260,842
July '12 – June '13	\$ 1,011,122,042
July '13 – Present (2/1/14)	\$ 58,548,335
Total from July '07 to Present (2/1/14)	\$1,718,602,764

# Cash Recoveries to General Fund

Fiscal Year	Cash Recovered
July '07 – June '08	\$14,399,122
July '08 – June '09	\$11,604,967
July '09 – June '10	\$ 9,262,235
July '10 – June '11	\$ 9,702,039
July '11 – June '12	\$ 6,951,808
July '12 to June '13	\$18,737,646
July '13 to Present (2/1/14)	\$48,271,738
Total	\$118,929,555

# Medicaid Fraud Control Unit

**Virginia Attorney General's Office**

**900 East Main Street**

**Richmond, VA 23219**



**VIRGINIA OFFICE OF THE ATTORNEY GENERAL**