



THE UNITED STATES ATTORNEY'S OFFICE
NORTHERN DISTRICT *of* CALIFORNIA

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Department of Justice

U.S. Attorney's Office

Northern District of California

FOR IMMEDIATE RELEASE

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Alameda Laboratory To Pay \$1.25 Million To Settle Claims Of Conducting Unnecessary Testing

Whistleblower Complaint Alleges Singulex, Inc. Billed Federal Health Care Programs for Medically Unnecessary Laboratory Tests

SAN FRANCISCO – Laboratory testing services company Singulex, Inc. of Alameda, Calif., has agreed to resolve allegations that it violated the False Claims Act by billing federal health care programs for medically unnecessary testing, announced United States Attorney Alex G. Tse, Special Agent in Charge Steven J. Ryan of the Health and Human Services' Office of Inspector General (HHS-OIG), Special Agent in Charge Chris D. Hendrickson of the Western Field Office, Defense Criminal Investigative Service (DCIS), and Special Agent in Charge John F. Bennett of the Federal Bureau of Investigation San Francisco Field Office. Under the settlement, which stems from a whistleblower action filed under the federal False Claims Act, Singulex will pay \$1.25 million.

As alleged in the lawsuit, Singulex caused the submission of false claims to Medicare and TRICARE by pressuring health care providers to select certain diagnosis codes without regard to the patient's medical condition, and/or added such codes to laboratory test orders without the health care provider's knowledge or consent. In addition, the lawsuit alleged that Singulex knowingly pressured health care providers to order laboratory tests without regard to medical necessity, made misrepresentations to health care providers to convince them to order additional laboratory tests, and/or added certain procedure codes to laboratory test requisition forms without health care provider's knowledge or consent. As a result, the United States alleges that Singulex billed federal health care programs, including Medicare and TRICARE, for medically unnecessary tests.

"This settlement reflects the continuing commitment of the U.S. Attorney's Office and our law enforcement partners to identify and prosecute improper Medicare and TRICARE billings by companies that are looking to increase their profits at the expense of taxpayers and without regard to proper patient care," said U.S. Attorney Tse.

"Today's result resolves serious allegations of fraud against Singulex and is a victory for the U.S. taxpayer," said Special Agent in Charge Hendrickson. "DCIS and its law enforcement partners will aggressively pursue those who attempt to defraud the U.S. military's health care program and other health care programs in order to ensure the health care system works for U.S. military personnel and their families."

The lawsuit was filed by Vicki Swartzell and Jim Vandermeer under the qui tam provisions of the False Claims Act. Under the act, private individuals can bring a lawsuit on behalf of the government for false claims. The individual then shares in any recovery. The act also permits the United States to intervene in and take over a whistleblower suit, as it has done here.

Assistant U.S. Attorney Rebecca A. Falk is handling the matter on behalf of the U.S. Attorney's Office for the Northern District of California, with the assistance of Garland He. This matter was investigated by the U.S. Attorney's Office of the Northern District of California, HHS-OIG, DCIS and the FBI.

Component(s):

USAO - California, Northern

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