

UNITED STATES SENATOR • IOWA
CHUCK GRASSLEY

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Contact: Jill Kozeny, 202/224-1308
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MEMORANDUM

To: Reporters and Editors
Fr: Jill Gerber
Re: TAP Pharmaceutical fraud case
Da: Wednesday, Oct. 3, 2001

Today the Department of Justice announced that TAP Pharmaceutical Products Inc. has agreed to pay \$875 million to resolve criminal charges and civil liabilities in connection with its fraudulent drug pricing and marketing conduct with regard to Lupron, a drug sold by TAP primarily for treatment of advanced prostate cancer in men. The settlement amount includes \$559 million that the company has agreed to pay the government under the federal *False Claims Act*. That amount is for filing false and fraudulent claims with Medicare and Medicaid as a result of fraudulent drug pricing schemes and sales and marketing misconduct. Sen. Chuck Grassley is the co-author of the 1986 amendments to the *False Claims Act*. Those amendments strengthened the Act's qui tam, or whistleblower, provisions and gave federal prosecutors one of their most effective tools against defrauding the government. He made the following comment on the settlement of the TAP case:

“Medicare and Medicaid are public programs. Every tax dollar that goes to fraud robs taxpayers and doesn't help a sick patient. I'm glad the *False Claims Act* was there when prosecutors needed it. If not for that law, this case might never have surfaced. The *False Claims Act* helps whistleblowers drive bad actors from the shadows into the light of day.”