



**The United States Department of Justice
United States Attorney's Office
District of South Carolina**

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**Labcorp to Pay the United States \$19 Million to Settle Allegations
Under the False Claims Act**

COLUMBIA, SOUTH CAROLINA — Laboratory Corporation of America Holdings (Labcorp), one of the largest providers for clinical laboratory services, has agreed to pay \$19 million to resolve allegations that it violated the False Claims Act by its submission of false claims to Medicare.

The settlement resolves allegations that Labcorp caused the submission of false claims to Medicare as a result of Labcorp's provision of phlebotomy services for patients whose health care providers were ordering laboratory testing from Labcorp, Health Diagnostic Laboratory, Inc. (HDL), and/or Singulex, Inc. (Singulex) at a time when Relators allege Labcorp knew HDL and/or Singulex were paying health care providers process and handling fees as an inducement to refer patients to their laboratories. HDL and Singulex previously settled their civil liability with the government for a combined \$48.5 million.

"Health care decisions should be based on what is in the best interest of the patient, and not on financial incentives and related schemes," said U.S. Attorney Adair F. Boroughs for the District of South Carolina. "The efforts of relators like Scarlett Lutz and Kayla Webster are essential to protecting the integrity of our Medicare system, and we thank them for bringing these allegations forward."

The settlement resolves a lawsuit originally brought by Scarlett Lutz and Kayla Webster under the qui tam or whistleblower provisions of the False Claims Act. Under those provisions, a private party can file an action on behalf of the United States and receive a portion of any recovery. As part of this resolution, Lutz and Webster will receive approximately \$5.6 million of the federal settlement amount. The whistleblowers in this case were represented by Marc S. Raspanti and Pamela Coyle Brecht of Pietragallo Gordon Alfano Bosick & Raspanti, LLP; Stephen Shackelford, Jr. and Steven Shepard of Susman Godfrey, L.L.P.; and Beth B. Richardson of Robinson Gray Stepp & Laffitte, LLC.

The lawsuit resolved by this settlement is captioned *United States of America, et al., ex rel. Scarlett Lutz and Kayla Webster v. Laboratory Corporation of America Holdings*, Case No. 9:14-

cv-3699-RMG (D.S.C.). The claims resolved by the settlement are allegations only, and there has been no determination of liability.

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