

PRESS RELEASE

Drug Wholesaler Agrees to \$1.5 Million Settlement of Anti-Kickback Statute and False Claims Act Allegations

Monday, December 23, 2024

For Immediate Release

U.S. Attorney's Office, Middle District of Georgia

MACON, Ga. – A \$1.5 million civil settlement resolving allegations under the Anti-Kickback Statute and False Claims Act has been reached with BTW Solutions, LLC, an Arkansas-based drug wholesaler specializing in providing drugs and related billing services to physicians treating workers' compensation patients.

The case resolved by this settlement agreement — *U.S. ex rel. Young v. BTW Solutions, LLC, et al.*, 3:17-cv-94 — began as a *qui tam* suit filed on June 7, 2017. The Government filed a Complaint in Intervention on Sept. 21, 2023, and the parties have been litigating the matter since that time.

The defendant agreed to pay \$1.5 million to the United States to resolve allegations that it violated the False Claims Act (FCA) by submitting bills to the Department of Labor's Office of Workers' Compensation Programs (OWCP) for the dispensing of certain pain creams in violation of the Anti-Kickback Statute. The OWCP pays workers' compensation claims submitted on behalf of injured federal workers. The settlement marks the end of a years-long investigation during which the defendant fully cooperated.

"The Anti-Kickback Statute protects medical decision-making from being corrupted by improper financial considerations," said U.S. Attorney Peter D. Leary. "I am proud of our office's efforts litigating this unique and difficult case involving an often-overlooked program designed to provide needed healthcare to injured federal workers. I want to thank the U.S. Department of Labor Office of the Inspector General and the U.S. Postal Service Office of the Inspector General for their partnership in this case."

"This settlement allows the OWCP to recover medical bill payments under the Federal Employees' Compensation Act and return these funds to the Employees' Compensation Fund," said Office of Workers' Compensation Director Christopher J. Godfrey. "It also

shows the commitment of the Department of Labor to ensuring that program funds are used as the law requires, and the benefits of having the department's Office of the Inspector General devote significant investigative resources to detecting cases of possible abuse within the FECA program."

The United States alleges that from 2013 to 2018, the defendant induced the sale of its pain creams to physicians by offering them at or near cost, billing the OWCP on behalf of the physicians at an exorbitant markup and then splitting the reimbursement with the physicians. The United States alleges that such conduct constitutes a violation of the Anti-Kickback Statute and that the resulting claims submitted to OWCP for the pain creams therefore violate the FCA.

The claims resolved by this settlement are allegations only, and there has been no determination or admission of liability.

The Anti-Kickback Statute prohibits any person, including specialty medical and pharmaceutical suppliers, from offering or paying, directly or indirectly, any remuneration — which includes money or anything of value — to induce the purchase of a drug that will be reimbursed by a federal healthcare program.

The FCA is a federal law that imposes civil liability on any persons or entities who submit, or cause to be submitted, false claims for payment on the federal government or its contractors. The liability that can be imposed under the statute is treble damages (that is, three times the loss caused by the false claims) and a civil penalty between \$13,946 to \$27,894 per false claim. The FCA is the primary authority used by the United States Attorney's Office's Civil Division to redress fraud, waste and abuse within federal programs, including, but not limited to, Medicare, Medicaid, TRICARE and OWCP.

This case was investigated by Special Agent Joshua Barnes of the U.S. Department of Labor – Office of the Inspector General (DOL-OIG) and Special Agent Derek Bigham of the U.S. Postal Service - Office of the Inspector General (USPS-OIG).

Assistant U.S. Attorneys Todd P. Swanson and W. Taylor McNeill of the Middle District of Georgia represented the United States in the civil action and settlement agreement.

Updated December 30, 2024

Topic**FALSE CLAIMS ACT**

Component

[USAO - Georgia, Middle](#)