

# The Washington Post

## Justice suit accuses Johnson & Johnson of paying kickbacks

By David S. Hilzenrath  
Washington Post Staff Writer  
Saturday, January 16, 2010; A12

Medical giant Johnson & Johnson paid tens of millions of dollars in kickbacks to boost sales of its drugs in nursing homes, including an antipsychotic that can be used as a chemical restraint, the Justice Department alleged in a lawsuit Friday.

The payments, sometimes disguised as grants or educational funding, were funneled to Omnicare, a pharmacy company that dispenses drugs in nursing homes and used its influence with doctors to get prescriptions switched, the government said. Johnson & Johnson came to regard Omnicare pharmacists as an extension of its sales force, the government said, citing a company document.

"Kickbacks such as those alleged here distort the judgments of health care professionals and put profits ahead of sound medical treatment," Tony West, assistant attorney general for the Justice Department's Civil Division, said in a news release.

Johnson & Johnson spokeswoman Carol Goodrich said the company looks forward to presenting its evidence in court.

"We believe airing the facts will confirm that our conduct . . . was lawful and appropriate," she said.

The suit is another in a long series of cases alleging that manufacturers have used illegal inducements to skew medical decisions and promote their products, potentially compromising patient care and inflating medical bills.

Whatever happens with national health-care reform, lawmakers are unlikely to repeal the profit motive, with its potential for ill as well as good.

Johnson & Johnson allegedly caused false or fraudulent claims to be filed with Medicaid, the public health program for the poor and disabled.

Friday's lawsuit adds to an already

Advertisement



**DON'T DELAY**

Get Proven, Proactive  
**IDENTITY THEFT PROTECTION**

 **LifeLock.**  
#1 In Identity Theft Protection\*

Call Now 1-877-670-1746

[http://www.washingtonpost.com/wp-dyn/content/article/2010/01/15/AR2010011503903\\_pf.html](http://www.washingtonpost.com/wp-dyn/content/article/2010/01/15/AR2010011503903_pf.html)

Print Powered By  FormatDynamics™

## The Washington Post

### Justice suit accuses Johnson & Johnson of paying kickbacks

tangled web of claims. Omnicare reached a settlement with the government in November, agreeing to pay \$98 million. The company denied wrongdoing. At the same time, a Florida drugmaker agreed to pay \$14 million, and the government filed claims against two nursing home chains, accusing them of taking kickbacks from Omnicare in return for pharmacy contracts.

Johnson & Johnson allegedly turned to Omnicare to help it build market share. The patients at issue include people suffering from Alzheimer's disease and other forms of dementia.

From 1999 to 2004, as it allegedly pressed doctors to use Johnson & Johnson products, Omnicare increased its annual drug purchases from Johnson & Johnson, from about \$100 million to more than \$280 million. Annual purchases of the antipsychotic Risperdal alone topped \$100 million, the government said.

"WE ARE SELLING MORE HIGH PRICED DRUGS (read Risperdal here) FOR THE PHARMACEUTICAL INDUSTRY!!" an Omnicare executive wrote in a 2001 letter to Johnson & Johnson released by the government.

The claims against Johnson & Johnson were initiated by whistleblowers, including a former Omnicare financial analyst, who could receive a share of any

money the government collects.

View all comments that have been posted about this article.

Advertisement



**DON'T DELAY**

Get Proven, Proactive  
**IDENTITY THEFT PROTECTION**

 **LifeLock.**  
#1 In Identity Theft Protection\*

Call Now 1-877-670-1746

[http://www.washingtonpost.com/wp-dyn/content/article/2010/01/15/AR2010011503903\\_pf.html](http://www.washingtonpost.com/wp-dyn/content/article/2010/01/15/AR2010011503903_pf.html)

Print Powered By  FormatDynamics™