

Major Hit for Drug Manufacturer

Recently, the New York Times reported that GlaxoSmithKline, one of the largest drug producers in the U.K., has agreed to pay \$750 million to settle civil and criminal complaints that it for several years sold contaminated and ineffective products to the federal government.

Read the full story here: [Glaxo to Pay \\$750 Million for Sale of Bad Products](#)

The suit was originally brought by a whistleblower

— a former quality manager for the company who was sent to a factory in Puerto Rico in 2002 to review FDA concerns. She reported substantial health and manufacturing problems including contamination of water at the facility, suggested several improvements and recalls, and was subsequently terminated. After the termination she contacted the FDA and proceeded to bring an action under Federal and State False Claims Acts.

The Federal False Claims Act allows an employee to bring an action “on behalf of” the federal government for damages sustained as a result of fraudulent claims by a government contractor. Cases can range from fraud in drug marketing, to healthcare and tax fraud, to defense contractor fraud, and the outcome can be severe. In this case, the employee, or “whistleblower

,” claimed the company terminated her instead of fixing the problems, and continued to sell drugs to the United States government despite knowing the drugs being sold were contaminated.

Whistleblower

claims under the False Claims Act rarely come to light, in part because there are strict guidelines which mandate confidentiality throughout the majority of the litigation. The importance of these claims, however, cannot be understated, as the “whistleblowers

” are in the best position to report improper or illegal conduct. Employees of companies who contract or receive funds from the Federal Government, who have witnessed such conduct, should contact an attorney with knowledge of the False Claims Act to ensure that they are protected.