

Public Citizen: State drug fraud cases on the rise

September 27 2012, by Matthew Perrone

(AP)—A consumer advocacy group is reporting that pharmaceutical companies have paid more than \$30 billion to state and federal governments to settle allegations of fraud over the last 20 years.

The report shows a recent uptick in settlements by state attorneys with drugmakers like [GlaxoSmithKline](#) and Eli Lilly & Co. The analysis by Public Citizen finds that state governments collected \$3.7 billion from drugmakers in the past three years. That was roughly six times more money than in the previous 18 years combined. Overcharging state Medicaid plans was the most common violation.

Governments are spending more on prescription drugs as programs like Medicare and Medicaid swell with aging baby boomers. That increased spending has attracted scrutiny from government investigators looking for potential fraud.

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