

US fines Japanese pharma co \$39 mn for doctor kickbacks

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Daiichi Sankyo, the large Japanese pharmaceutical company, is being fined \$39 million over kickbacks it paid doctors in the United States to prescribe its drugs, the US Justice Department said Friday.

Daiichi Sankyo agreed to pay the penalty to the government and to state Medicaid programs to settle the allegations, raised by a former company sales representative who provided evidence of the kickbacks, paid to the doctors in the form of speaker fees.

The company allegedly invited multiple "speakers" to the same lavish dinners and let them speak on the same topics in the scheme, the Justice Department said in a statement.

The doctors were expected to favor the company's drugs, the prescription of which could cost federal and state [health care](#) programs.

"Drug companies are prohibited from using lavish entertainment and padded speaker-program payments to induce physicians to prescribe their drugs for beneficiaries of federal health care programs," said Carmen Ortiz, US Attorney for the District of Massachusetts, in the statement.

"Settlements like this one show that the government will continue to pursue health care companies that use kickbacks to promote their products."

The probe into the company's conduct began when the former sales representative, Kathy Fragoules, filed a complaint on behalf of the United States, as allowed under whistleblower provisions of the False Claims Act, which protects the government against fraud.

Fragoules will earn a \$6.1 million share from the Daiichi Sankyo payout.

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