



Newsroom

Attorney General Schwalb Recovers Over \$300,000 from Gilead Sciences for Illegal Kickback Scheme

July 15, 2025

Pharmaceutical Company Defrauded District's Medicaid Program by Paying Illegal Kickbacks to Healthcare Providers Who Prescribed Its HIV Medications

Attorney General Brian L. Schwalb today announced that Gilead Sciences, Inc. (Gilead), a pharmaceutical company that sells medications covered by the District's Medicaid program, will pay \$316,413 to the District to resolve allegations that it engaged in an illegal kickback scheme where it paid doctors and other healthcare providers to promote and prescribe its suite of HIV medications over those marketed by its competitors. Because the resulting insurance claims filed with the District's Medicaid program were induced by kickbacks, they violated the District's False Claims Act (FCA).

"For years, Gilead Sciences illegally boosted sales by paying lavish kickbacks to doctors, and in so doing, cheated both District patients and taxpayers," said Attorney General Schwalb. **"Patients deserve complete and accurate information about all of their treatment options, not just the ones that drug companies pay doctors under the table to promote. The Office of Attorney General will continue to protect District residents from illegal business practices, ensure DC tax dollars are used effectively, and level the playing field for companies that follow the law."**

Gilead develops, manufactures, and sells medications for the treatment of infectious diseases, including HIV/AIDS. A federal and multistate investigation revealed that between 2011 and 2017, Gilead administered a kickback program for its suite of HIV medications whereby 548 healthcare providers received over \$23.7 million in honoraria payments, in addition to extravagant meals and paid travel expenses, through Gilead's "HIV Speaker Programs" to entice them to prescribe Gilead HIV medications. Throughout this period, Gilead caused claims for payment for its HIV medications—induced by the illegal kickbacks—to be submitted to the District's Medicaid program.

This settlement arises from *United States of America et al., ex rel. Dr. Paul Bellman v. Gilead Sciences, Inc.*, a *qui tam* action originally filed in 2016, and then amended in 2020 and 2021, in the United States District Court for the Southern District of New York under the federal FCA and various state false claims statutes. *Qui tam* lawsuits allow private individuals to sue those defrauding the government on behalf of the government to recover the funds owed to the government. The resulting federal and multistate settlement requires Gilead to pay a total of \$202 million, of which over \$49 million will go to state Medicaid programs. The District will receive \$316,413.92, of which \$256,295.27 will go to DC Medicaid.

Attorney General Schwalb is joined in securing this settlement by the attorneys general of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Puerto Rico, and the US Virgin Islands.

This matter was handled by Assistant Attorneys General Norman Anderson and Bryce Kelety, Paralegal Diego Pereira, and former Assistant Attorney General Jess Micciolo.

About the District's False Claims Act

The Office of the Attorney General can file civil suits against those who violate the FCA by making false claims to the District Government for the purpose of improperly obtaining or retaining government funds. Examples of FCA violators include contractors and grantees who seek to have the District pay for work that was not fully or properly performed. Many of the District's FCA recoveries are for Medicaid fraud. OAG may recover treble damages (three times the amount that was illegally obtained), civil penalties, and attorney's fees for FCA violations.

How to Report Unfair Business Practices

OAG protects DC residents from fraud, exploitation, and deceptive business practices by investigating and mediating consumer complaints, educating residents about their rights, and taking legal action against businesses and individuals that harm residents and break the law. Since January 2023, OAG

has obtained nearly \$50 million through enforcement actions and settlements on behalf of DC consumers.

To report scams, fraud, or unfair business practices, contact OAG's Office of Consumer Protection:

- Submit a complaint online at: <https://oag.dc.gov/consumer-protection/submit-consumer-complaint> (<https://oag.dc.gov/consumer-protection/submit-consumer-complaint>)
- Call the consumer protection hotline at (202) 442-9828
- Send a complaint via email to consumer.protection@dc.gov (<mailto:consumer.protection@dc.gov>).



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