

Government of the District of Columbia
OFFICE OF THE INSPECTOR GENERAL



Inspector General
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**Genzyme Corp. to Pay \$22.28 Million to Resolve False Claims
Allegations Related to “Slurry” Used in Patients**

Inspector General Charles J. Willoughby announced today that the District of Columbia has joined with other states and the federal government to settle allegations that Genzyme Corp. (Genzyme) marketed and caused false claims to be submitted to federal and state health care programs for use of a “slurry” version of its Septrafilm adhesion barrier. Septrafilm is a thin film intended to reduce adhesions after surgery by forming a bio-resorbable barrier between abdominal tissue and organs. Genzyme is a biotechnology corporation based in Cambridge, Mass., and was acquired by Sanofi-Aventis SA in April 2011.

The settlement resolves allegations that Genzyme sales representatives taught doctors and other staff to cut the Septrafilm sheets into small pieces, add saline, and allow the pieces to dissolve until the desired consistency was reached. This mixture was referred to as “slurry.” Genzyme sales representatives traded recipes for slurry and trained each other in how to create it. The slurry was used in laparoscopic surgeries by inserting a catheter filled with the mixture into the body and applying it into the abdominal cavity. Septrafilm is FDA-approved for use in open abdominal surgery but not for minimally invasive surgeries, such as laparoscopic surgery. Allegedly, as a result of this conduct, Genzyme knowingly caused hospitals and other purchasers of Septrafilm to submit false and fraudulent claims to federal health care programs for uses of Septrafilm that were not reimbursable.

The allegations resolved by this settlement were originally raised in lawsuits filed against Genzyme in the United States District Court for the Middle District of Florida under the *qui tam*, or whistleblower, provisions of the False Claims Act and analogous state false claims statutes, which allow private citizens with knowledge of false claims to bring civil actions on behalf of the government and to share in any recovery.

A National Association of Medicaid Fraud Control Units (NAMFCU) Team participated in the investigation and conducted the settlement negotiations with Genzyme on behalf of the states and included representatives from the Offices of the Attorneys General for the states of Virginia, South Carolina, Ohio, Florida, and Texas.