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16	IN THE UNITED STATES DISTRICT COURT DISTRICT OF ALASKA							
	DISTRICT OF ALASKA							
17	UNITED STATES OF AMERICA,							
18	Ex rel. Law Project for Psychiatric Rights, an NO. 3:09-cv-00080-TMB							
10	Alaskan non-profit Corporation,							
19								
20	Plaintiff,							
20								
21	VS.							
20	OSAMU H. MATSUTANI, MD, et al.,							
22								
23	Defendants.							
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24	1 O G 1 1 D 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1							
25	LOCAL RULE 7.1(h)(2) MOTION FOR LEAVE TO FILE SUPPLEMENTAL							
	AUTHORITY IN SUPPORT OF ALL DEFENDANTS' RULE 9(B)  MOTION TO DISMISS [DKT. 84]							
26								
	MOTION FOR LEAVE TO FILE SUPPLEMENTAL AUTHORITY FOR RULE 9(R) MOTION							

Law Project for Psychiatric Rights v. Matsutani, et al., Case No. 3:09-cv-0080-TMB

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[Dkt. 158-1 at 3].

31 U.S.C. § 3730(b)(2).

Attorney Loeffler dated April 27, 2009).

MOTION FOR LEAVE TO FILE SUPPLEMENTAL AUTHORITY FOR RULE 9(B) MOTION Law Project for Psychiatric Rights v. Matsutani, et al., Case No. 3:09-cv-0080-TMB Page 2 of 10

Case No. 3AN 08-10115CI (3rd Judicial Dist.).

Pursuant to D. Ak. Local Rule (Civil) 7.1(h)(2), Defendants seek leave to present PsychRights's recently unsealed Section 3730(b)(2) statement to the government ("Relator's Statement," attached hereto as Exhibit A).

The Relator's Statement was under seal and, therefore, unavailable to Defendants when they filed their memorandum [Dkt. 84] and reply [Dkt. 138] in support of their Rule 9(b) Motion to Dismiss. On September 14, 2010, pursuant to Defendants' request, the Court ordered the unsealing of the Relator's Statement. [Dkt. 158] Although Defendants recognize that the Relator's Statement is already on file, out of caution Defendants are filing this motion for leave to be able to cite to the Relator's Statement to in support of their Rule 9(b) Motion to Dismiss. [Dkt. 84]

The Relator's Statement is pertinent to the Rule 9(b) Motion to Dismiss because it confirms that PsychRights has no information that can cure the complaint's pleading deficiencies, and therefore its complaint should be dismissed with prejudice. As stated in PsychRights's letter to Attorney General Eric Holder and Alaska United States Attorney Karen Loeffler, Relator's Disclosure Statement provides its "written disclosure of substantially all material evidence and information [it] possesses" in connection with its qui tam action.<sup>2</sup> (Emphasis added.) Like the complaint, this disclosure reveals that PsychRights has no information regarding the Defendants or their drug prescribing or claims submission practices. Indeed, Relator acknowledges that this False Claims Act case is merely "an additional avenue" to pursue the wrongs it sought to right in *PsychRights v. Alaska*, a state court action in which it seeks to enjoin the administration of psychotropic drugs to children.<sup>4</sup>

[Dkt. 158-1 at 2] (PsychRights letter to Attorney General Holder and Acting US

In its pursuit, Relator has simply amassed publicly-available data,<sup>5</sup> names of psychiatric providers, and excerpts from the False Claims Act into a 209-paragraph complaint.<sup>6</sup>

Because Relator's Statement confirms that it has disclosed all of the information it possesses regarding the alleged fraud, and PsychRights has already had the opportunity to amend its complaint after being apprised of its pleading deficiencies through Defendants' Rule 9(b) motion [Dkt. 107], further amendment would be futile, and therefore its complaint should be dismissed with prejudice.

WHEREFORE, Defendants respectfully request that the Court grant this motion and consider the Relator's Statement and the points made above when adjudicating Defendants' Rule 9(b) Motion to Dismiss, and specifically, whether dismissal of Relator's complaint should be with prejudice.

Dated in Anchorage, Alaska this 22nd day of September, 2010.

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Relator's Statement notes that it obtained Medicaid claims information from a Freedom of Information Act request, and made no attempt to tie the claims data to any prescriptions, claims, or activities of Defendants. *Id.* at 6-7.

These facts also raise jurisdictional issues under the False Claims Act's public disclosure bar, an issue briefed in the Motion to Dismiss for Lack of Subject Matter Jurisdiction filed by certain Defendants. [Dkt. 89]

MOTION FOR LEAVE TO FILE SUPPLEMENTAL AUTHORITY FOR RULE 9(B) MOTION Law Project for Psychiatric Rights v. Matsutani, et al., Case No. 3:09-cv-0080-TMB Page 3 of 10

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	MOTION FOR LEAVE TO FILE SUPPLEMENTAL AUTHORITY FOR RULE 9(B) MOTION  Law Project for Psychiatric Rights v. Matsutani, et al., Case No. 3:09-cy-0080-TMB

MOTION FOR LEAVE TO FILE SUPPLEMENTAL AUTHORITY FOR RULE 9(B) MOTION Law Project for Psychiatric Rights v. Matsutani, et al., Case No. 3:09-cv-0080-TMF Page 4 of 10

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MOTION FOR LEAVE TO FILE SUPPLEMENTAL AUTHORITY FOR RULE 9(B) MOTION Law Project for Psychiatric Rights v. Matsutani, et al., Case No. 3:09-cv-0080-TMB Page 5 of 10

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MOTION FOR LEAVE TO FILE SUPPLEMENTAL AUTHORITY FOR RULE 9(B) MOTION *Law Project for Psychiatric Rights v. Matsutani, et al.*, Case No. 3:09-cv-0080-TMB Page 6 of 10

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Motion for Leave to File Supplemental Authority for Rule 9(B) Motion Law Project for Psychiatric Rights v. Matsutani, et al., Case No. 3:09-cv-0080-TMB Page 7 of 10

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MOTION FOR LEAVE TO FILE SUPPLEMENTAL AUTHORITY FOR RULE 9(B) MOTION Law Project for Psychiatric Rights v. Matsutani, et al., Case No. 3:09-cv-0080-TMB Page 8 of 10

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	MOTION FOR LEAVE TO FILE SUPPLEMENTAL AUTHORITY FOR RULE 9(B) MOTION

MOTION FOR LEAVE TO FILE SUPPLEMENTAL AUTHORITY FOR RULE 9(B) MOTION Law Project for Psychiatric Rights v. Matsutani, et al., Case No. 3:09-cv-0080-TMB Page 9 of 10

1	Certificate of Service						
2	T certify that on this 22nd day of September 2010, I caused a true and correct copy of the						
3	foregoing document to be served on all parties of record by electronic means through the ECF system as indicated on the Notice of Electronic Filing, or if not by ECF, by first class regular						
4							
5	Richard Pomeroy Evan C. Zoldan Assistant U.S. Attorney U.S. Department of Justice						
6	United States Attorney's Office Civil Division						
7	Anchorage, AK 99513-5071 Ben Franklin Station						
8	Washington, D.C. 20044						
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10 11	/s/ David B. Robbins						
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	MOTION FOR LEAVE TO FILE SUPPLEMENTAL AUTHORITY FOR RULE 9(B) MOTION  Law Project for Psychiatric Rights v. Matsutani, et al., Case No. 3:09-cv-0080-TMB  Page 10 of 10						

# **PsychRights**

Law Project for Psychiatric Rights, Inc.

RECEIVED APR 27 2009

April 27, 2009

Eric Holder, U.S. Attorney General U.S. Department of Justice 950 Pennsylvania Avenue, NW Washington, DC 20530-0001

Cert. Mail No. 7003 3110 0001 6582 0768

Karen L. Loeffler, USA United States Attorney for Alaska Federal Bldg. & U.S. Courthouse 222 West 7th Ave., #9, Rm 253 Anchorage, AK 99513-7567

Re: United States ex rel Law Project for Psychiatric Rights v. Matsutani, et. al., Case No. 3:09-cv-00080-TMB, USDC Alaska

Dear Attorney General Holder and Acting US Attorney Loeffler

This letter is being served pursuant to 39 USC §3730(b)(2), providing you with (1) a copy of the complaint, (2) written disclosure of substantially all material evidence possessed by the Law Project for Psychiatric Rights (PsychRights<sup>®</sup>), and (3) other information, pertaining to the above case.

#### I. Summary

In the last fifteen years or so, claims to Medicaid for psychiatric drugs prescribed to children and youth has skyrocketed to approximately \$9 Billion per year. This increase is largely the result of the fraudulent activities of drug companies in promoting off-label pediatric use of psychiatric drugs. The Government is aware of the fraudulent conduct of certain drug companies and recently proceeded against one of them with the recent \$1.4 Billion settlement against Eli Lilly over the illegal promotion of Zyprexa. The Government has also recently become aware that "Key Opinion Leaders" have been paid to make false statements in medical journals, and through Continuing Medical Education presentations, to induce doctors to prescribe psychotropic drugs to children and youth. However, the Government does not seem to be aware that the prescribers, their employers, the pharmacies filling the prescriptions, and state officials authorizing reimbursement are part of this scheme to defraud Medicaid and are liable under the False Claims Act, 39 USC §3729 et seq., therefor.

These parties are not necessarily participating in this fraudulent scheme with actual knowledge the claims are false, but as you know, under the False Claims Act, parties are liable for making or causing false claims to be made if they act in deliberate ignorance or reckless disregard of the truth or falsity of the information used in making the claim. The defendants are liable for their roles in making or causing the false claims to be made or approved for payment because they did so in deliberate ignorance or disregard that the claims are false. Through its Qui Tam Complaint, PsychRights is moving on behalf of the Government against such parties in Alaska making or causing such false claims to be made, or authorizing reimbursement of such false claims.

#### II. **Background**

PsychRights is a public interest law firm whose mission is to mount a strategic litigation campaign against forced psychiatric drugging and electroshock around the country. Because children and youth are not the ones making the decisions, they are inherently forced to take the drugs. Starting in December of 2004, due to the unprecedented increase in the use of extremely harmful psychiatric drugs in children and youth, PsychRights attempted to get the State of Alaska to rectify the situation. Failing to reach an agreement, in early September of 2008, PsychRights filed Law Project for Psychiatric Rights v. State of Alaska, et al., 2 seeking declaratory and injunctive relief that Alaskan children and youth have the right not to be administered psychotropic drugs unless and until:

- 1. evidence-based psychosocial interventions have been exhausted.
- 2. rationally anticipated benefits of psychotropic drug treatment outweigh the risks,
- 3. the person or entity authorizing administration of the drug(s) is fully informed,
- 4. close monitoring of, and appropriate means of responding to, treatment emergent effects are in place,

and that all children and youth currently receiving such drugs be evaluated and brought into compliance with the above.

As I was working on the case I became aware that it was improper to submit claims to Medicaid for indications that are not approved by the FDA or supported by three specified compendia and filed an amended Complaint on September 29, 2009, which inserted the following as Paragraph 22 of the Complaint:

- 22. It is unlawful to for the State to use Medicaid to pay for outpatient drug prescriptions except for indications approved by the Food and Drug Administration (FDA) or included in the following compendia:
  - American Hospital Formulary Service Drug Information,
  - United States Pharmacopeia-Drug Information (or its successor publications), or
  - DRUGDEX Information System. (c)

PsychRights' mission does not revolve around litigating for monetary compensation and the foregoing was asserted in PsychRights v. Alaska as a basis for obtaining the declaratory and injunctive relief sought, which would include that the State of Alaska not seek Medicaid reimbursement for indications not approved by the FDA or supported by any of the designated compendia. However, PsychRights recently realized this conduct might constitute Medicaid fraud and that the False Claims Act might be an additional avenue to pursue to end the pervasive practice of prescribing harmful, ineffective, psychiatric drugs to children and youth. Thus, PsychRights undertook to investigate whether the conduct constitutes false claims under the False Claims Act and determined it does indeed.

<sup>&</sup>lt;sup>1</sup> Appendix 1-17, 41-47.

<sup>&</sup>lt;sup>2</sup> Case No. 3AN 08-10115 CI, Superior Court, Third Judicial District, State of Alaska. Exhbit 1, page 2

#### III. The False Claims

# A. Per Se Violation - Alaska Claims for Drugs Submitted To Medicaid Not for a Medically Accepted Indication.

As relevant, under 42 USC 1396R-8(k)(3), "The term 'covered outpatient drug' does not include any . . . drug . . . used for a medical indication which is not a medically accepted indication."

42 USC 1396R-8(k)(6) provides:

The term "medically accepted indication" means any use for a covered outpatient drug which is approved under the Federal Food, Drug, and Cosmetic Act [21 U.S.C.A. § 301 et seq.], or the use of which is supported by one or more citations included or approved for inclusion in any of the compendia described in subsection (g)(1)(B)(i) of this section.

42 USC 1396R-8(g)(1)(B)(i), in turn, designates the compendia as

- (I) American Hospital Formulary Service Drug Information;
- (II) United States Pharmacopeia-Drug Information (or its successor publications); and
- (III) the DRUGDEX Information System; and
- (IV) Repealed. Pub.L. 108-173, Title I, § 101(e)(9)(B), Dec. 8, 2003, 117 Stat. 2152.

These provisions establish the "universe" of drugs for which it is permissible to seek Medicaid Reimbursement. This is confirmed by *U.S. ex rel. Franklin v. Parke-Davis*, 147 F.Supp. 2d 39, 44-5 (D.Mass. 2001):

[U]unless a particular off-label use for a drug is included in one of the identified drug compendia, a prescription for the off-label use of that drug is not eligible for reimbursement under Medicaid.

A tremendous percentage of pediatric psychotropic prescriptions submitted to Medicaid for reimbursement are in this category of *per se* violation. For example, no anti-convulsants masquerading as "mood stabilizers," such as Depakote or Tegretol, have been approved for pediatric use or are supported by any of the compendia. With respect to the second generation neuroleptics, no pediatric use of Seroquel, Zyprexa or Geodon is approved by the FDA or supported by any of the designated compendia. Risperdal is approved for very narrow uses, as is Abilify, but even when prescribed for these indications are almost always prescribed concurrently with another drug(s), which is not FDA approved or supported by any of the designated compendia.

The following table of claims and amounts paid for such anti-convulsants and second generation neuroleptics were obtained as a result of an Alaska Freedom of Information Act (Alaska FOIA) request by PsychRights:<sup>3</sup>

<sup>&</sup>lt;sup>3</sup> Appendix 18-40.

	Anti-Convulsants			neration leptics	
Dates	Claims per Month	Amount Per Month	Claims per Month	Amount Per Month	
12/1/2004 to 2/28/05	1,393	\$ 122,224	1,532	\$ 277,746	
1/1/2005 to 3/31/2005	1,402	\$ 123,963	1,490	\$ 285,762	
5/1/2005 to 7/31/2005	1,436	\$ 136,939	1,705	\$ 319,725	
2/1/2006 to 4/30/2006	1,240	\$ 118,954	1,492	\$ 272,717	
3/1/2006 to 5/31/2006	1,260	\$ 120,047	1,552	\$ 281,919	
4/1/2006 to 6/30/2006	1,210	\$ 114,838	1,521	\$ 272,009	
5/1/2006 to 7/31/2006	1,225	\$ 116,052	1,534	\$ 277,940	
8/1/2006 to 10/31/2006	1,252	\$ 121,346	1,648	\$ 284,966	
11/1/2006 to 1/31/2007	1,298	\$ 121,519	1,800	\$ 289,540	
1/1/2007 to 3/31/2007	1,259	\$ 121,925	1,735	\$ 288,238	
4/1/2007 to 6/30/2007	1,270	\$ 139,718	1,730	\$ 312,815	
Average	1,295	\$ 123,411	1,613	\$ 287,580	

The State of Alaska represented to PsychRights that it had destroyed the other reports within the time frame of PsychRights' Alaska FOIA request; however there is no doubt the same pattern and rough magnitude exists for time periods before, within, and after those set forth in the above table for the six year statute of limitations period of the False Claims Act.

There is, at most, a trivial percentage of second generation neuroleptics which are not false, so the damages calculation for these per se false claims is as follows:

72 Months of Claims at \$5,500 per claim	\$ 1,151,568,000
Treble Damages for 72 Months of Anti-Convulsants	\$ 26,656,776
Treble Damages for 72 Months of Neuroleptics	\$ 62,117,280
Total	\$ 1,240,342,056

# B. Per Se Violation - Pharmacies: Claims for Drugs Made Under Medicaid Not for a Medically Accepted Indication

While it is the doctors who cause these per se false claims to be made, it is the pharmacies that submit the false claims. The pharmacies know or should know when making such claims that they are not for medically accepted indications and are liable under the false claims act therefor. Defendant Wal-Mart makes such false claims in every state and defendants Safeway and Fred Meyer in many. Because so much of pediatric psychopharmacology falls within this per se false claim category, probably at least 75% of the \$9 Billion per year Medicaid spends on it are for false claims. PsychRights does not know exactly how much of this is submitted by Wal-Mart, Safeway, and Fred Meyer, but it may approach \$1 Billion per year. Compensation in the amount of \$5,500 for each false claim, plus trebling the damages make the damages astronomical.

Exhbit 1, page 4

# C. Claims Where FDA Approval or Support in Any Designated Compendium Was Induced by Fraud.

In addition to claims being false *per se* for indications not approved by the FDA or supported by any of the designated compendia, as the Government has stated:

The [False Claims Act] is violated not only by a person who makes a false statement or a false record to get the government to pay a claim, but also by one who engages in a fraudulent course of conduct that causes the government to pay a claim for money. Thus, the mere fact that a particular use is a "medically accepted indication" does not eliminate the possibility of fraudulent conduct or abuse that could render the claim false and ineligible for payment.<sup>4</sup>

## (1) Alaska SSRI Anti-Depressant Medicaid False Claims

A large percentage of the Medicaid claims for pediatric use of the Selective Serotonin Reuptake Inhibitor (SSRI) anti-depressants is not for medically accepted indications, which means they are also per se false claims. In addition, the balance were for medically accepted indications as a result of fraudulent conduct. FDA approval of pediatric uses and their support by the designated compendia was obtained as a result of fraud, through the drug companies hiding negative data and making false statements with respect to the studies they did release or use. This was actually knowable as early as 1999 when there was a big controversy over their use, but this was beaten back by the drug companies' false statements, including through "Key Opinion Leaders" on their payrolls. However, the controversy re-emerged and in 2004, the FDA issued a "Public Health Advisory" about all antidepressants, warning they cause anxiety and panic attacks, agitation and insomnia, irritability and hostility, impulsivity and severe restlessness, and mania and hypomania and now requires a black box warning on SSRIs for pediatric use of SSRIs because they cause a great increase in suicidality. Since then, more and more has come out about the fraud involved in the promotion of SSRIs for pediatric use. Before 2004, prescribers could perhaps have had plausible deniability with regard to knowing of the fraud, but since then, not.

The following table of claims and amounts paid for such anti-depressants obtained as a result of the same Alaska FOIA request by PsychRights referenced above:<sup>5</sup>

Exhibit A page 5

<sup>5</sup> Appendix 18-40.

<sup>&</sup>lt;sup>4</sup> United States' Statement of Interest in Response to Defendant's Motion to Dismiss Plaintiff's First Amended Complaint, p. 8, in *United States ex rel.*, Peter Rost, v. Pfizer et al., Dkt No. 03-CV-11084-PBS, D. Mass.

	Anti-Depressants		
Dates	Claims per Month		aid Per Month
12/1/2004 to 2/28/05	1,463	\$	72,990
1/1/2005 to 3/31/2005	1,482	\$	73,318
5/1/2005 to 7/31/2005	1,385	\$	70,060
2/1/2006 to 4/30/2006	1,219	\$	56,456
3/1/2006 to 5/31/2006	1,274	\$	57,069
4/1/2006 to 6/30/2006	1,252	\$	55,134
5/1/2006 to 7/31/2006	1,215	\$	53,180
8/1/2006 to 10/31/2006	1,190	\$	49,246
11/1/2006 to 1/31/2007	1,195	\$	46,928
1/1/2007 to 3/31/2007	1,196	\$	49,191
4/1/2007 to 6/30/2007	1,159	\$	52,271
Average	1,275	\$	57,804

There is a downward trend,<sup>6</sup> so in order to be conservative, the last month's figures are used to calculate the compensation.

72 Months of \$52,271 trebled	. 🌉	12,485,664
Tota	al \$	471,449,664

### IV. Remedies

#### A. PsychRights' Interests/Objectives

PsychRights is not motivated by the potential monetary recovery, but by protecting vulnerable children and youth from being forced to suffer the incredible harms of pediatric psychiatric drugging. PsychRights is also very interested in making available the truly helpful, non-medication, approaches that have been shown to actually work. While not motivated by the potential monetary recovery, any such recovery by PsychRights will be effectively deployed to further PsychRights' mission, including supporting non-drug alternatives.

# B. Specific Defendants

#### (1) Matsutani

Matsutani has the reputation as being the most prolific pediatric psychopharmacologist in Alaska. In fact, Matsutani bragged to Michael Ecker's foster mother that he earned \$800,000 in 2006 prescribing psychiatric drugs to children and youth, by "getting them in and getting them out." I think he also made similar boasts to Fran Purdy of the Alaska Family and Youth Network (AYFN). Full compensation should be sought from Matsutani for the false claims he caused to

<sup>&</sup>lt;sup>6</sup> The downward trend is probably due to drug company efforts to move prescribers to the neuroleptics that are still under patent protection as the patents for the anti-depressants expire.

<sup>&</sup>lt;sup>7</sup> See, CriticalThinkRx Curriculum, Module 8, available on the Internet at http://criticalthinkrx.org/pdf/m8/Module-8-Complete-Slide-Piesentation.pdf.

be made, he should be barred from future Medicaid participation, and as far as PsychRights is concerned, he should go to jail.

### (2) Other Prescribers

PsychRights is less familiar with the other prescribers named as defendants. In PsychRights' view, the consequences of their causing false claims to be made should depend on their individual circumstances.

# (3) Thomson Reuters (Healthcare)

PsychRights understands Thomson Reuters (Healthcare) is paid approximately \$1 Billion per year by drug companies to put on Continuing Medical Education Programs at which false statements are made to induce doctors to prescribe off-label. PsychRights claim on behalf of the Government against Thomson Reuters (Healthcare) for causing false claims encompasses the entire United States. The recovery from Thomson should be at least \$1 Billion.

### (4) State Officials

It appears the State of Alaska is not subject to the False Claims Act under Vermont Agency Of Natural Re-Sources, Petitioner, v. United States ex rel. Stevens. However, under Samuels v. Holmes, state officials are liable for causing false claims to be made or authorizing reimbursement of false claims. PsychRights named as defendants the commissioner of Alaska's Department of Health and Social Services, William Hogan, and the head of its Medicaid program, William Streur, for authorizing reimbursement by Medicaid of false claims, and Tammy Sandoval, the director of Alaska's Office of Children's Services and Steve McComb the director of Alaska's Division of Juvenile justice for submitting or causing false claims to be made.

Through ¶22 of its September 29, 2008 Amended Complaint in *PsychRights v. Alaska*, and a contemporaneous e-mail, <sup>10</sup> PsychRights specifically brought to these defendants' attention that the State of Alaska was authorizing reimbursement for and causing false Medicaid claims to be made. Thus, they have continued to authorize reimbursement for and cause false claims to be submitted in the face of specific knowledge of their falsity. Therefore, significant recoveries should be obtained from these defendants, depending on their personal financial situation, and they should be barred from future Medicaid participation. PsychRights does not believe they should go to jail for these transgressions, however.

#### (5) The Pharmacies

It is the pharmacies that submitted the false Medicaid claims. They know that they are dispensing drugs that are not for medically accepted indications. They are legally obliged to be a check against the doctors prescriptions for indications that are not medically accepted. While PsychRights does not believe pharmacies should be held liable for the doctors' prescriptions where the medically accepted indications were procured by false statements, PsychRights does believe they should be held liable for submitting claims that are per se false because they are not

<sup>8 529</sup> U.S. 765 (2000).

<sup>9 138</sup> F.3d 173 (5th Cir 1998).

<sup>&</sup>lt;sup>10</sup> Appendix 47.

for medically accepted indications. The pharmacy defendants PsychRights has named are Wal-Mart, Safeway and Fred Meyers, which it is believed are the largest pharmacies in Alaska. They also make Medicaid claims for prescriptions around the country and the Complaint encompasses all of these false claims. A sufficient amount should be recovered from the pharmacies to be painful and deter similar conduct by others. It seems this should be at least \$1 Billion each from Wal-Mart and Safeway. It seems impractical and undesirable, however, to bar them from future Medicaid participation.

### (6) Northstar Hospital

Northstar is notorious for psychiatrically drugging children and youth in order to reap financial benefits. In PsychRights' view, maximum recovery should be sought from Northstar and it barred from future Medicaid participation.

## (7) Other Providers

The other provider defendants are agencies that employ the prescribers, reap financial rewards from the prescribers causing false claims to be made, and some recovery should be had. They vary in culpability, however, and the consequences of their causing false claims to be made should depend on their individual circumstances. Such recovery(ies) should be sufficient to serve notice on other providers around the country that they must cease causing such false claims to be made.

# C. Use of the Government's Recovery and Savings to Fund Safe & Effective PsychoSocial Programs for Children and Youth

The fraudulent scheme has resulted in Big Pharma squeezing out non-drug programs that have been proven to be far more effective, especially long term by providing children and youth the tools for successful lives, without the harm caused by psychiatric drugs. The CriticalThinkRx Curriculum, includes a comprehensive list of such proven approaches with respect to children and youth 2 and PsychRights believes the Government should use its recovery and future savings from this action in support of such programs. In fact, in PsychRights view, the Government shouldn't wait until such a recovery occurs before implementing such programs.

Big Pharma has been so successful in indoctrinating psychiatrists into drugging children for behavior that bothers the adults in their lives that most of them don't know how to do anything else. There, are, however, a cadre of people who do know. Members of the International Center for the Study of Psychiatry and Psychology (ICSPP)<sup>13</sup> are one source of people with this knowledge<sup>14</sup> and PsychRights knows more.

<sup>&</sup>lt;sup>11</sup> Paid for by a grant from the Attorneys General Consumer and Prescriber Grant Program, funded by the multi-state settlement of consumer fraud claims regarding the marketing of Neurontin.

<sup>&</sup>lt;sup>12</sup> See, CriticalThinkRx Curriculum, Module 8, available on the Internet at <a href="http://criticalthinkrx.org/pdf/m8/Module-8-Complete-Slide-Presentation.pdf">http://criticalthinkrx.org/pdf/m8/Module-8-Complete-Slide-Presentation.pdf</a>.

<sup>13</sup> <a href="http://icspp.org/">http://icspp.org/</a>.

For example, David Stein, Ph.D., Carolyn Crowder, PhD, and Dubose Ravenel, MD, have all written books about how to successfully sheppard children and youth through their behavioral difficulties, much of which revolves around helping parents to take control. For children in foster care other approaches such as mentoring have been shown to be extremely helpful.

### V. Intervention/Unsealing

Because of the great harm inflicted on America's children and youth through these false claims, PsychRights believes the Complaint should be unsealed as soon as possible. No significant investigation is needed. With the possible exception of Thomson Reuters (Healthcare)'s role in the scheme to defraud Medicaid, it should be easy for the Government to confirm the facts. The real question is, now that PsychRights has brought to the Government's attention that the psychiatrists, their employers, pharmacies, and state employees, are liable for these false claims, whether it has the political will or ability to act against these defendants to stop the fraud. It should be possible to decide that within 60 days.

The scope and lack of morality of the fraudulent scheme revealed here can be analogized to the current economic debacle created by the unrestrained greed facilitated by the failure of government regulators with respect to subprime mortgages. It is much worse, here, however, because children's and youth's future, health, and even lives, have been sacrificed and continue to be sacrificed on the altar of corporate profits.

We will be pleased to answer any questions you might have and look forward to working with you on this matter.

James B. Gottstein, Esq.

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14	Anchorage Community Wentar Health Services,	IIIC.	
15			
13	IN THE UNITED STATES DISTRICT COURT		
16			
17	UNITED STATES OF AMERICA,		
18	Ex rel. Law Project for Psychiatric Rights, an	NO. 3:09-cv-00080-TMB	
10	Alaskan non-profit Corporation,		
19		(PROPOSED) ORDER GRANTING	
• •	Plaintiff,	MOTION FOR LEAVE TO	
20		PRESENT UNSEALED	
21	VS.	DOCUMENTS	
22	OSAMU H. MATSUTANI, MD, et al.,		
23	Defendants.		
24			
25			
26			
	(PROPOSED) ORDER GRANTING MOTION FOR LEA' UNSEALED DOCUMENTS Law Project for Psychiatric Rights v. Matsutani, et al., Ca		

1	Defendants' Motion for Leave to Present Recently Unsealed Documents, Which are		
2	Pertinent to Defendants' Rule 9(b) Motion to Dismiss, is hereby GRANTED.		
3	ENTERED this day of, 2010.		
4			
5			
6	Timothy M. Burgess		
7	U.S. District Court Judge		
8			
9			
10			
11	<u>Certificate of Service</u>		
12 13	I certify that on this 22nd day of September 2010, I caused a true and correct copy of the foregoing document to be served on all parties of record by electronic means through the ECI system as indicated on the Notice of Electronic Filing, or if not by ECF, by first class regular		
14			
15	Richard Pomeroy Evan C. Zoldan		
16	Assistant U.S. Attorney U.S. Department of Justice United States Attorney's Office Civil Division		
17	222 West 7 <sup>th</sup> Avenue, #9 Commercial Litigation Branch		
18	Anchorage, AK 99513-5071 Ben Franklin Station Washington, D.C. 20044		
19			
20	/s/ David B. Robbins		
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24	{0310.00019/M0216312.DOC; 1}		
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26			
	(PROPOSED) ORDER GRANTING MOTION FOR LEAVE TO PRESENT UNSEALED DOCUMENTS  Law Project for Psychiatric Rights v. Matsutani, et al., Case No. 3:09-cv-0080-TMB  Page 2 of 2		