Bayer Pays $40 Million to Resolve Whistleblower Claims Alleging Kickbacks to Physicians and Hospitals to Prescribe Drugs



On September 2, 2022, the Department of Justice (DOJ) announced that Bayer Corporation, a manufacturer of pharmaceutical products, agreed to pay $40 million to resolve alleged violations of the federal False Claims Act and applicable state laws in connection with the drugs Trasylol, Avelox, and Baycol. The settlement stemmed from two whistleblower lawsuits filed in 2005 and 2006 by a former Bayer employee.

According to the DOJ, Bayer paid kickbacks to hospitals and physicians to induce them to use the drugs Avelox, which treats bacterial infections, and Trasylol, which controls bleeding in heart surgeries, and also marketed these drugs for off-label uses that were not reasonable and necessary. The whistleblower further alleged that Bayer downplayed the safety risks of Trasylol. The whistleblower filed a second lawsuit relating to the drug Baycol, a statin that lowers cholesterol and prevents cardiovascular disease. That lawsuit alleged that Bayer downplayed Baycol's risks of causing rhabdomyolysis and misrepresented the efficacy of Baycol as compared to other statins. Trasylol and Baycol were withdrawn from the market for safety reasons.
Under the settlement, Bayer will pay $38.9 million to the United States and $1.14 million to 20 states and the District of Columbia. Bayer did not admit any wrongdoing.

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For more information, contact:
Keith J. Roberts | 973.364.5201 | kroberts@bracheichler.com
Joseph M. Gorrell | 973.403.3112 | jgorrell@bracheichler.com
James Ko | 973.403.3147 | jko@bracheichler.com