

## **A.G. Schneiderman Announces \$6.2 Million Settlement with Lantheus Medical Imaging & Bristol-Myers Squibb For Failing To Pay New York Corporate Income Taxes**

*Whistleblower Alerts State Under A.G. Schneiderman's Groundbreaking False Claims Act That Rewards And Protects Tax Whistleblowers*

NEW YORK--Attorney General Eric T. Schneiderman today announced a \$6.2 million settlement of a whistleblower case alleging that a medical imaging company that made millions of dollars' worth of sales in New York knowingly evaded New York State and City taxes.

"Lantheus' failure to pay these taxes was indefensible," said **Attorney General Schneiderman**. "It's simple – Corporations doing business in New York are obligated to pay taxes on their earnings, and those companies that fail to do so will be held accountable. This resolution makes a huge difference for hardworking New Yorkers who pay their taxes and play by the rules."

Attorney General Schneiderman alleges that Lantheus Medical Imaging Inc. and its former parent company, Bristol-Myers Squibb, did not pay applicable New York State business franchise taxes, New York City corporation taxes or MTA surcharges from 2002 to 2006, when Lantheus was known as Bristol-Myers Squibb Medical Imaging. During that period, the company derived substantial revenues from its sales of medical imaging products to hospitals, clinics and other facilities in New York and from its training and servicing activities in connection with its sales.

The action was started by the May 2012 filing of a whistleblower, or "qui tam," complaint in State Supreme Court in Manhattan by a tax services provider who became aware of Lantheus' failure to pay New York taxes. Attorney General Schneiderman's subsequent investigation concluded that Lantheus knowingly failed to pay more than \$2.2 million in New York State and City taxes.

This settlement is the latest tax-related recovery resulting from an action filed under the New York False Claims Act. The Act is one of the state's most powerful civil fraud enforcement tools because it allows whistleblowers and prosecutors to take legal action against companies or individuals that defraud the government. Persons found liable under the False Claims Act must pay triple damages, penalties and attorneys' fees. Under the False Claims Act, whistleblowers may be eligible to receive up to 30 percent of any money recovered by the government as a result of information they provide. The whistleblower in this action will receive \$1,137,814.80 from the settlement proceeds. The City of New York will receive \$693,143.04.

Thirty states and the federal government have passed False Claims Acts, but only New York's expressly covers tax fraud as a result of a landmark law authored by then-State Senator Eric T. Schneiderman. In 2011, as one of his first acts in office, Attorney General Schneiderman created a Taxpayer Protection Bureau, which works with whistleblowers and enforces the False Claims Act in tax and other government fraud cases.

**David Caputo of the law firm of Kline & Specter, P.C., which represents the whistleblower**, said, "This settlement demonstrates the enormous good that private whistleblowers, their counsel and our partners in the government can accomplish together for the taxpaying public. It took courage for our client to come forward, and we applaud the Attorney General's Office for acting on our client's information as promptly and effectively as it did in this case. New York is a model for all states to follow in its commitment to the public-private partnership that makes outstanding results like this possible."

Attorney General Schneiderman expresses his thanks to the whistleblower and his attorneys at Kline & Specter, and to the New York State Department of Taxation and Finance, the New York City Department of Finance and the New York City Office of the Corporation Counsel for their assistance in bringing this case to resolution.

This investigation was conducted by Assistant Attorney General Daniel Smirlock, Legal Support Analyst Devin Gould, Deputy Bureau Chief Scott Spiegelman, and former Bureau Chief Randall Fox of the Attorney General’s Taxpayer Protection Bureau (TPB). TPB is part of the Attorney General's Criminal Justice Division, led by Executive Deputy Attorney General for Criminal Justice Kelly Donovan.

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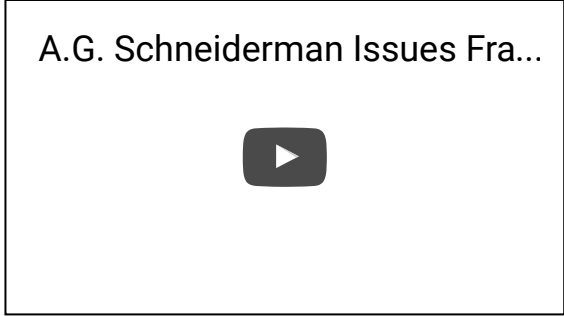
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