

FOR IMMEDIATE RELEASE

Boston, MA & Cincinnati, OH

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**SETTLEMENT OF FALSE CLAIMS ACT ALLEGATIONS
AGAINST INFORM DIAGNOSTICS FOR \$16 MILLION**

On behalf of its client, Dr. Christopher Wallace, the law firm of Morgan Verkamp, LLC (with attorneys in Cincinnati, Ohio, Boston, Massachusetts, and Tampa, Florida) is pleased to announce that the United States has resolved allegations of medically unnecessary pathology testing with Inform Diagnostics, Inc., formerly known as Miraca Life Sciences, Inc.

Inform is a clinical laboratory, headquartered in Irving, Texas, that provides clinical pathology laboratory services to physicians and medical practices nationwide.

Dr. Wallace, a former pathologist at Inform, filed suit against the laboratory in January 2019, alleging violations of the False Claims Act, a law that allows whistleblowers to bring a case on behalf of the United States that alleges fraud on the government. The case is *United States ex rel. Wallace v. Inform Diagnostics, Inc.*, and the case number is 19-cv-10091. The matter was filed in the United States District Court for the District of Massachusetts.

The complaint alleged that Inform submitted false claims to federal healthcare programs, like Medicare, for medically unnecessary laboratory testing. Rather than perform only the laboratory tests ordered by physicians, Inform automatically and systematically ran additional tests, including special stains, without the treating physician's knowledge, consent, or order and without a pathologist's determination of medical necessity. The complaint can be read [here](#).

The United States Attorney's Office for the District of Massachusetts led the investigation into Dr. Wallace's claims. That investigation resulted in a settlement of False Claims Act allegations raised by Dr. Wallace.

As part of the settlement, Inform has agreed to pay the United States \$16 million. In the settlement, Inform admits that, from January 1, 2013 through January 31, 2018, Inform routinely and automatically conducted certain up-front stains on gastrointestinal and dermatological biopsy specimens without a pathologist's review of the routine stain and without an individual determination of whether the additional stain was medically necessary.

“Whistleblowers, like Dr. Wallace, take significant personal and professional risk to sound the alarm on fraud schemes. Their dedication to take that risk in the interest of protecting taxpayers and the public fisc is inspiring,” said Sonya Rao, a partner at Morgan Verkamp. “When laboratories conduct medically unnecessary testing, they put profit over the fiscal soundness of our healthcare system. We are grateful to Dr. Wallace for shedding light on Inform’s reflexive testing practices,” stated fellow Morgan Verkamp partner Chandra Napora.

The settlement agreement in this case can be found [here](#). The United States press release concerning the settlement can be read [here](#).