

# \$168 Million Payout to Johnson & Johnson Whistleblowers

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NEW YORK (CNMoney)

The settlement with pharmaceutical giant Johnson & Johnson means a record payout for whistleblowers.

The \$167.7 million award is one of the largest whistleblower awards in U.S. history. It will be divided among an unspecified number of whistleblowers in three states, according to the Justice Department.

The \$2.2 billion settlement between Johnson & Johnson and authorities settles charges that J&J marketed drugs for unapproved uses and gave kickbacks to doctors and nursing homes. Attorney General Eric Holder said Johnson & Johnson and two subsidiaries "lined their pockets at the expense of American taxpayers, patients and the private insurance industry."

The settlement addresses both state and federal charges in criminal and civil courts.

SEC awards its largest settlement ever:

The sum includes \$112 million for whistleblowers in Pennsylvania, nearly \$28 million in Massachusetts, and \$28 million in California, the Justice Department said.

Joe Strom, a former employee of Johnson & Johnson subsidiary Scios, will receive the entire \$28 million awarded in California. He first brought suit

against J&J in 2005 and ultimately helped government attorneys prepare for depositions and build their case. Strom worked for Scios for nine months in 2003 and 2004, said his attorney Jeb White, a partner at Nolan, Auerbach and White.

New York attorney Daniel Oliverio said he represented two clients who would each receive a portion of the award. The largest-ever award paid to an individual went to Bradley Birkenfeld, who landed a \$104 million award for helping the U.S. reach a \$780 million settlement with UBS in 2009.

The challenge of cracking down:

Monday's announcement is "a great victory for whistleblowers," said Stephen Kohn, executive director of the National Whistleblowers Center and author of *The Whistleblower's Handbook*.

"Historically the justice department has been cheap, and often whistleblowers do not obtain the full award for which they're entitled," he said. Whistleblowers can be awarded between 15% and 30% of the amount recovered in a case they helped bring. But whistleblowers often settle with the government and take home less than the full amount for which they're eligible.