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McKesson Corporation to Pay United States $3 Million
to Settle Fraud Allegations

WASHINGTON, D.C.- McKesson Corporation, a wholesale pharmaceutical distributor, has agreed to pay the United States $3 million to settle claims that it defrauded the Department of Defense from October 1997 to December 2001, the Justice Department announced today.

Today's civil settlement resolves allegations that the San Francisco-based corporation defrauded the United States by knowingly charging the Defense Department's medical treatment facilities more for pharmaceutical products than was allowable under its prime vendor contracts with the government.

"This settlement illustrates the Justice Department’s determination to recover funds that are owed to the United States," said Peter D. Keisler, Assistant Attorney General for the Civil Division. "We will continue to vigorously enforce the False Claims Act for the protection of the taxpayers and the United States government."

The civil investigation and settlement were handled by the Office of the United States Attorney for the Western District of Washington and the Civil Division of the Department of Justice, with assistance from the Department of Defense.

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