



October 30, 2015

## MADIGAN ANNOUNCES APPROXIMATELY \$3 MILLION SETTLEMENT WITH MEDICAL WASTE DISPOSAL COMPANY

*Illinois-based company to pay \$26.75 million to 12 states, D.C., federal government*

**Chicago** — Attorney General Lisa Madigan today announced a \$26.75 million settlement with Stericycle, Inc., an Illinois-based medical waste disposal company, for overcharging government entities in several states by millions of dollars. The settlement will resolve the company's violations of the U.S. and State False Claims Acts.

The lawsuit was brought by a whistleblower, who was a former employee of the company. Under the settlement, Illinois will recover approximately \$3 million, and will then distribute more than \$1.6 million of this amount to the approximately 350 state and local government entities across Illinois that used Stericycle's services and were victims of its fraudulent price increases.

Stericycle, which is based in Lake Forest has provided medical waste disposal services to school districts, health departments, colleges, police departments, nursing homes and municipalities. The lawsuit alleged that since 2003, Stericycle implemented a plan to charge automated price increases without giving any notice to its government customers in violation of state and federal false claims laws. Stericycle's automated price increases were purportedly fuel and energy surcharges, but they did not reflect actual increases in fuel and energy costs.

According to the lawsuit, these fraudulent price increases – amounting to 18 percent every nine months – violated prices set in the company's contracts. For Illinois governments, the increases utilized already scarce funds. For instance, the increases cost the Illinois Veteran's Home in Anna more than \$43,000 and Maine Township High School #207 in Park Ridge more than \$50,000.

"Companies that increase their profits by defrauding governments out of scarce taxpayer dollars must be held accountable," Madigan said. "This company used fraudulent price increases to force local governments to pay more at a time when those resources were needed for critical government services."

In addition to Illinois, California, Delaware, the District of Columbia, Florida, Indiana, Massachusetts, Nevada, New Jersey, North Carolina, Rhode Island, Tennessee, Virginia and the federal government will receive portions of the \$26.75 million settlement.

Assistant Attorney General Harpreet Khara handled the case for Madigan's Special Litigation Bureau, which handles complex investigations and affirmative litigation, including matters aimed at protecting government resources from fraud, waste, abuse and corruption.

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