

The Office of the Inspector General (OIG), Department of Defense announced today that on November 14, 2001, in U.S. District Court, Hartford, CT, Scott Hildago, Orlando, FL, sales representative, Indigo Laser Corporation, a Johnson & Johnson subsidiary was sentenced to 5 years probation and a \$100 special assessment.

Hildago had previously pled guilty to a 1-count criminal information charging conspiracy in connection with unlicensed wholesaling of prescription drugs.

This sentence is the result of an ongoing investigation into pharmaceutical drug diversion, kickback payments, false claims and mail fraud between and by physicians, pharmaceutical drug representatives and pharmaceutical drug wholesalers. Lupron, an oncology pharmaceutical, normally prescribed for prostate cancer patients, was diverted by the physicians to circumvent Federally controlled pricing markets for profit. This diversion actually lowered the acquisition cost of the pharmaceutical and that cost savings was not reflected in health care claim submissions for reimbursement to Medicare, TRICARE and private health insurance carriers as provided by Federal regulation. Hildago received kickback payments for his efforts in the scheme.