

Federal Drug Discount and Compliance Monitor

www.DrugDiscountMonitor.com

... June 14, 2006...

Rudolph Trial Reaches Settlement: Pittsburgh Doctor Forbidden from 340B Program

The case of Dr. Joseph Rudolph, a Pittsburgh-area physician who had been charged by the federal government with illegally distributing pharmaceuticals obtained through the 340B drug discount program, has reached a settlement. Dr. Rudolph settled June 13, on the condition that he would cease involvement in the 340B program and pay the government \$565,000 – the sum the government says represents his profits from the program he ran through Aliquippa Community Hospital.

Dr. Rudolph, who was charged under the Prescription Drug Marketing Act with illegal wholesaling, retains his right to practice medicine and to exercise his First Amendment right to speak publicly about the 340B program. The federal government has agreed not to bring further actions against Dr. Rudolph including any civil, administrative, or criminal claims pertaining to the case. In April 2006, the government tried Dr. Rudolph, but jurors could not reach a decision after more than three days of deliberation. A mistrial was declared in early May, and a retrial was scheduled for this month.

Both sides called the settlement a victory. “We’re pleased with the settlement agreement and with the resolution of this matter,” U.S. Attorney for the Western District of Pennsylvania Mary Beth Buchanan said. “I believe that this case will highlight our commitment to preserving the integrity of the 340B program.” She added that she hoped this case, and its resolution, would “discourage other doctors from pursuing similar programs.”

Defense Attorney Fred Thieman also considered the case a victory, as Dr. Rudolph will not be serving jail time and will be able to continue his medical practice. “Money is paper – freedom and reputation are what’s important.” Thieman also said that Dr. Rudolph would consider and possibly continue other, “lawful and appropriate ways to help patients find low-cost medications.”

For more information concerning the Rudolph trial, see the *Monitor*’s May issue at <http://www.drugdiscountmonitor.com/members.html>. We will be providing a detailed look at the settlement in the upcoming issue of *The Monitor*.