

THOMAS & ASSOCIATES
Federal Reserve Building
600 Atlantic Avenue, 12th Floor
Boston, Massachusetts 02210

www.thomasandassoc.net

Facsimile (617) 371-1037

Robert M. Thomas, Jr.
Direct dial (617) 371-1072

Suzanne E. Durrell, Of Counsel
Direct Dial (617) 333-9681

Rory Delaney, Of Counsel
Direct Dial (617) 371-0936

For Immediate Release

Whistleblower Pleased with Serono Settlement

Boston, MA (October 17, 2005) — Federal prosecutors announced today a comprehensive settlement of their criminal and civil investigations of Swiss pharmaceutical manufacturer, Serono, Inc. As part of the agreement, the company will have a subsidiary plead guilty to criminal conspiracy charges relating to its marketing practices and pay a fine of \$136.9 million. Serono will also settle the government's civil claims, initiated by whistleblowers, by paying \$567 million in damages to the government. The whistleblowers will receive 17% of those damages.

The underlying investigations related to the company's marketing practices of the human growth hormone, Serostim, including: 1) marketing of adulterated medical devices, 2) "off label" promotion of Serostim, and 3) kickbacks to physicians and pharmacies.

Frank Garcia, 41, is one of the whistleblowers and a former sales representative of Serono. "He's very pleased with the settlement," said his attorney, Robert M. Thomas, Jr. "He filed this case at great personal risk to himself and his career, and is enormously gratified to see that his actions have helped make the industry's practices better." Mr. Garcia expects to receive more than \$10 million in the settlement.

"It is important that people see that courageous individuals can in fact come forward and change things," said Thomas, noting that because False Claims Act cases are filed under seal, relators' identities are often not public until the end of the case.

The civil settlement is the largest pharmaceutical settlement in the history of the False Claims Act, and the third largest overall.

For further information, please contact Robert M. Thomas, Jr. at (617) 371-1072 or by email at rmt@thomasandassoc.net. Information on the False Claims Act and related areas of interest may also be found at the firm's website: www.thomasandassoc.net.

###