

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice (the “United States”); the State of Connecticut, acting through the Attorney General of the State of Connecticut (collectively, the “State of Connecticut”); Coastal Diagnostics, LLC (“Coastal”) and Tricia Conroy (collectively “Defendants”); (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Coastal is a reference laboratory, with offices located at 7 Sycamore Way, Unit 9A, Branford, Connecticut. Coastal is owned and operated by Tricia Conroy.

B. Genco Lab, LLC (“Genco”), is a reference laboratory located at 7 Sycamore Way, Suite 9, Branford, Connecticut. Genco is owned by Paul Conroy, Tricia Conroy’s husband. In addition to being the owner of Coastal, at all relevant times, Tricia Conroy was also the Chief Operating Officer of Genco.

C. The United States and the State of Connecticut contend that Defendants submitted or caused to be submitted claims for payment to the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5 (“Medicaid”).

D. The United States and the State of Connecticut contend that they have certain civil claims against Defendants arising out of misrepresentations Tricia Conroy and Coastal made in Coastal’s Provider Enrollment Application to the Connecticut Medical Assistance Program (“CMAP”), which includes Connecticut’s Medicaid program, regarding Coastal’s relationship with Genco. In order to participate in CMAP, providers must complete a Provider Enrollment Application. On or about March 6, 2024, Tricia Conroy, on behalf of Coastal, completed and submitted a Provider Enrollment Application (the “Application”) to CMAP. On

page 10 of the Application, question number 6 asks: “Are any owners, partners, members, officers, directors, shareholders, or managing employees of applicant related by family, marriage, ownership, membership, control, or business relationship to any other provider that is currently, or within the last 5 years, has been, enrolled in the Connecticut Medical Assistance Program?” Tricia Conroy, the owner of Coastal, answered “No” to this question. The United States and the State of Connecticut contend that this was a material misrepresentation, as Genco was a Medicaid provider at the time and the two labs, Genco and Coastal, were related as follows: the labs were owned by a married couple, Tricia and Paul Conroy; the labs were located at the same business address (in suites on the same floor); and Tricia Conroy, the owner of Coastal, also was employed by Genco as its Chief Operating Officer. If question number 6 had been answered “Yes” and Coastal had disclosed its relationship with Genco, CMAP would not have approved Coastal’s application, because Genco was under a payment suspension and was being investigated for fraud. After Coastal began submitting claims for laboratory services, CMAP learned that Coastal and Genco were related and terminated Coastal’s provider agreement. Based on the above, the United States and the State of Connecticut contend that they have certain civil claims against Defendants arising from false or fraudulent claims for payment which Defendants submitted or caused to be submitted to the Connecticut Medicaid program, for laboratory services performed during the time-period from March 6, 2024 to June 3, 2024. That conduct is referred to below as the “Covered Conduct.”

E. This Settlement Agreement is neither an admission of liability by Defendants nor a concession by the United States and the State of Connecticut that their claims are not well founded.

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To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Defendants shall pay to the United States and the State of Connecticut the sum of One Hundred Forty-Five Thousand Seven Hundred Twenty Dollars and Seventy-Three Cents (\$145,720.73) (Settlement Amount), of which \$134,768.07 is restitution and \$10,952.66 is interest, no later than five (5) days after the Effective Date of this Agreement, by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the District of Connecticut. The Settlement Amount shall be allocated as follows: The United States shall receive a total of \$72,860.36, of which \$67,384.03 is restitution and \$5,476.33 is interest. The State of Connecticut shall receive a total of \$72,860.37, of which \$67,384.04 is restitution and \$5,476.33 is interest.

2. Subject to the exceptions in Paragraph 4 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, the United States releases Defendants from any civil or administrative monetary claim the United States has for the Covered Conduct under the common law theories of payment by mistake and unjust enrichment.

3. Subject to the exceptions in Paragraph 4 (concerning reserved claims) below, and upon the State of Connecticut's receipt of the Settlement Amount, the State of Connecticut releases Defendants from any civil claim the State of Connecticut has for the Covered Conduct under the common law theories of payment by mistake and unjust enrichment.

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4. Notwithstanding the releases given in Paragraphs 2 and 3 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States and the State of Connecticut are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any liability arising under the laws and regulations that are administered and enforced by the State of Connecticut Department of Revenue Services;
- c. Any criminal liability;
- d. Any Federal or Connecticut State False Claims Act liability;
- e. Except as explicitly stated in this Settlement Agreement, any civil or administrative liability that any person or entity has or may have to the State or to individual consumers or state program payors under any statute, regulation or rule not expressly covered by the release in Paragraph 3 above, including, but not limited to, any and all of the following claims: (i) State or federal antitrust violations; (ii) claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws;
- f. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, including mandatory or permissive exclusion from Federal health care programs;
- g. Except as explicitly stated in this Agreement, any administrative liability to the State of Connecticut Department of Social Services, including suspension from the CMAP;

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- h. Any liability to the United States or the State of Connecticut (or their agencies) for any conduct other than the Covered Conduct;
- i. Any liability based upon obligations created by this Agreement;
- j. Any liability of individuals, except Tricia Conroy;
- k. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- l. Any liability for failure to deliver goods or services due;
- m. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

5. Defendants waive and shall not assert any defenses Defendants may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

6. Defendants fully and finally release the United States, the State of Connecticut, and their agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against the United States, the State of Connecticut, and their agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' and the State of Connecticut's investigation or prosecution thereof.

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7. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare contractor (e.g., Medicare Administrative Contractor, fiscal intermediary, carrier or any state payer) related to the Covered Conduct; and Defendants agree not to resubmit to any Medicare contractor or any state payer any previously denied claims related to the Covered Conduct, agree not to appeal any such denials of claims, and agree to withdraw any such pending appeals.

8. Defendants agree to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395lll and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Defendants, their present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' and the State of Connecticut's audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Defendants' investigation, defense, and corrective actions undertaken in response to the United States' and the State of Connecticut's audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement;
- (5) the payment Defendants make to the United States and the State of Connecticut pursuant to this Agreement, including costs and attorneys' fees

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are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Defendants, and Defendants shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by Defendants or any of their subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Defendants further agree that within 90 days of the Effective Date of this Agreement it shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Defendants or any of their subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. Defendants agree that the United States and the State of Connecticut, at a minimum, shall be entitled to recoup from Defendants any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

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Any payments due after the adjustments have been made shall be paid to the United States and the State of Connecticut pursuant to the direction of the Department of Justice and/or the affected agencies. The United States and the State of Connecticut reserve their rights to disagree with any calculations submitted by Defendants or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Defendants or any of their subsidiaries or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the United States and the State of Connecticut to audit, examine, or re-examine Defendants' books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

9. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 10 (waiver for beneficiaries paragraph), below.

10. Defendants agree that they waive and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third-party payors based upon the claims defined as Covered Conduct.

11. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

12. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

13. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the

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District of Connecticut, except that disputes only between the State of Connecticut and the Defendants will be resolved in the Superior Court for the Judicial District of Hartford. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

14. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties. Forbearance by the United States and the State of Connecticut from pursuing any remedy or relief available to it under this Agreement shall not constitute a waiver of rights under this Agreement.

15. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

16. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

17. This Agreement is binding on Defendants' successors, transferees, heirs, and assigns.

18. All Parties consent to the United States' and the State of Connecticut's disclosure of this Agreement, and information about this Agreement, to the public.

19. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

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THE UNITED STATES OF AMERICADATED: 6/8/2026BY: Michelle L. McConaghy
MICHELLE L. McCONAGHY
Assistant United States Attorney
Chief, Civil Division
District of ConnecticutDATED: 6/8/26BY: Richard M. Molot
RICHARD M. MOLOT
Assistant United States Attorney
Chief, Affirmative Civil Enforcement Unit
District of Connecticut

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THE STATE OF CONNECTICUT

WILLIAM TONG
ATTORNEY GENERAL

DATED: 6/3/2026

BY: 

GREGORY O'CONNELL
Deputy Associate Attorney General
Chief, Government Fraud Section

DATED: 6/3/26

BY: 

CHRISTINE MILLER
Assistant Attorney General

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TRICIA CONROYDATED: 5/27/2020

BY:


TRICIA CONROYDATED: 5/27/26

BY:


ADAM SCHWARTZ, ESQ.
Carlton Fields
Counsel for Tricia ConroyCOASTAL DIAGNOSTICS, LLCDATED: 5/27/2020

BY:


TRICIA CONROY
Owner, Coastal Diagnostics, LLCDATED: 5/27/26

BY:


ADAM SCHWARTZ, ESQ.
Carlton Fields
Counsel for Coastal Diagnostics, LLC