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SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the PUERTO RICO DEPARTMENT OF JUSTICE, acting through the Medicaid Fraud Control Unit of Puerto Rico, (collectively the "Department of Justice"), and **Daniel Boris Lipton** as owner of **Laboratorio Clínico del Pueblo**, NPI [REDACTED] (hereafter collectively referred to as "the Party", through their authorized representatives).

GENERAL PROVISIONS

A. **Laboratorio Clínico del Pueblo** is a service provider to beneficiaries of the Puerto Rico Government Health Plan, Medicaid Program (Medicaid). The Puerto Rico Government Health Plan, is administered by ASES under Puerto Rico's Law of September 72, 1993, better known as the Puerto Rico Health Insurance Administration Act, which creates the Public Corporation, Health Services Administration (ASES). In turn, ASES contracts with medical plans, so that they provide health services, to the beneficiaries of these health plans. Payments made to health care providers come from state and federal funds such as the Medicaid.

B. The DEPARTMENT OF JUSTICE contends that **Laboratorio Clínico del Pueblo**, NPI [REDACTED] submitted or caused to be submitted claims for payment to the Medicaid Program, Law No. 154 of July 23, 2018, Law on Fraudulent Claims to Programs, Contracts and Services of the Government of Puerto Rico (Law No.154) and Title XIX of the Social Security Act, 42 U.S.C. § 1396 et seq. ("Medicaid").

C. The DEPARTMENT OF JUSTICE contends that it has certain civil claims against **Laboratorio Clínico del Pueblo**, arising from the improper billing to Medicaid for services during the period of **August 1, 2022, through May 31, 2023**. **Laboratorio Clínico del Pueblo**, contracted with the health insurance plans: Plan de Salud Menonita, First Medical, Triple S Salud and MMM Healthcare to bill the Medicaid program. For this same period, a total of 1,143 claims were submitted. These claims were submitted without the beneficiaries' authorization and without physician-issued orders, resulting in false and fraudulent claims. The conduct as stated in this paragraph, will be referred to as the "Covered Conduct."

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E. This Settlement Agreement is neither an admission of liability by **Laboratorio Clínico del Pueblo, NPI** [REDACTED] nor a concession by the DEPARTMENT OF JUSTICE, that its claims are not well founded. To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, however, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree, and covenant as follows:

TERMS AND CONDITIONS

1. Daniel Boris Lipton owner of **Laboratorio Clínico del Pueblo** shall pay to the Medicaid Program, ONE HUNDRED FIFTY THREE THOUSAND SEVEN HUNDRED SEVENTY SIX DOLLARS AND SEVENTY FOUR CENTS (\$153,776.74) ("Settlement Amount"). The total violation amount identified in this case must be paid to the Secretary of the Treasury of Puerto Rico.

2. The total portion of the amount to be paid under this settlement by Daniel Boris Lipton owner of **Laboratorio Clínico del Pueblo**, to the State for the Covered Conduct is ONE HUNDRED FIFTY THREE THOUSAND SEVEN HUNDRED SEVENTY SIX DOLLARS AND SEVENTY FOUR CENTS (\$153,776.74) as recoupment, of which \$76,888.37 is Medicaid restitution. Payment must be made by money order payable to the Secretary of the Treasury of Puerto Rico.

This debt shall be discharged by payments to the United States and Medicaid of Puerto Rico, under the following terms and conditions:

A. 25,000.00 at the time of the signature of this Agreement, which must be paid in a money order payable to the "Secretario de Hacienda".

The remaining balance of \$128,776.74 shall be liquidated within a term of twelve (12) months through twelve (12) consecutive and proportional monthly payments of \$10,731.40 each, with each installment payable by money order to the "Secretario de Hacienda" on or around the following dates:

- B. \$10,731.40 on or around July 15, 2026.
- C. \$10,731.40 on or around August 15, 2026.
- D. \$10,731.40 on or around September 15, 2026.
- E. \$10,731.40 on or around October 15, 2026.
- F. \$10,731.40 on or around November 15, 2026.

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G. \$10,731.40 on or around December 15, 2026.

H. \$10,731.40 on or around January 15, 2027.

I. \$10,731.40 on or around February 15, 2027.

J. \$10,731.40 on or around March 15, 2027.

K. \$10,731.40 on or around April 15, 2027.

L. \$10,731.40 on or around May 15, 2027.

M. \$10,731.34 on or around June 15, 2027

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3. Subject to the exceptions in Paragraph 4 (concerning excluded claims) below and conditioned upon **Laboratorio Clínico del Pueblo**, full payment of the Settlement Amount, as well as to the consideration of the obligations of **Laboratorio Clínico del Pueblo**, in this Agreement, the DEPARTMENT OF JUSTICE, releases **Laboratorio Clínico del Pueblo**, of any civil or administrative monetary claim the DEPARTMENT OF JUSTICE, has for the Covered Conduct under the Law No. 154 of July 23, 2018, Law on Fraudulent Claims to Programs, Contracts and Services of the Government of Puerto Rico (Law No. 154) or the common law theories of payment by mistake, unjust enrichment, and fraud. Laboratorio Clínico del Pueblo agrees to fully cooperate with any ongoing or future criminal investigations or proceedings arising from the conduct described herein. As part of this cooperation, Daniel Boris Lipton, as president and owner of Laboratorio Clínico del Pueblo with the advice of his counsel agrees to enter a plea to any charges reasonably supported by the facts admitted herein, as may be required in connection with any plea agreement entered into with prosecutorial authorities.

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4. Notwithstanding the release given in Paragraph 3 of this Agreement, or any other term of this Agreement, the following claims are specifically reserved and are not released:

- a. Any liability arising under the Puerto Rico Internal Revenue Code 2011, as amended up to December 30, 2020 by Law 173-2020, and Title 26, U.S. Code (Internal Revenue Code);
- b. Any liability to the Government of Puerto Rico (or its agencies) for any conduct other than the Covered Conduct;
- c. Any criminal liability;

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d. Any liability based upon obligations created by this Agreement.

5. **Laboratorio Clínico del Pueblo**, fully and finally releases the DEPARTMENT OF JUSTICE, its officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that **Laboratorio Clínico del Pueblo**, NPI [REDACTED] has asserted, could have asserted, or may assert in the future against the DEPARTMENT OF JUSTICE, its officers, agents, employees, and servants, related to the Covered Conduct and the DEPARTMENT OF JUSTICE investigation and prosecution thereof.

6. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicaid contractor or Medicaid managed care organization or any state payer, related to the Covered Conduct; and **Laboratorio Clínico del Pueblo**, agrees not to resubmit to any Medicaid contractor or any state payer any previously denied claims related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

7. If **Laboratorio Clínico del Pueblo**, obligations under this Agreement are avoided for any reason, including but not limited to, through the exercise of the Financial Oversight and Management Board for Puerto Rico avoidance powers under Title III of the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) or if, before the Settlement Amount is paid in full, **Laboratorio Clínico del Pueblo** or a third party commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of DEPARTMENT OF JUSTICE debts, or to adjudicate **Laboratorio Clínico del Pueblo**, as insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for **Laboratorio Clínico del Pueblo** or for all or any substantial part of **Laboratorio Clínico del Pueblo** assets:

(i) the DEPARTMENT OF JUSTICE may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against **Laboratorio Clínico del Pueblo** for the claims that would otherwise be covered by the releases provided in Paragraph 2; for which

(ii) the DEPARTMENT OF JUSTICE has an undisputed and noncontingent allowed claim against **Laboratorio Clínico del Pueblo**, in the amount of,

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less any payments received pursuant to this Agreement; and **Laboratorio Clínico del Pueblo** agrees that any civil and/or administrative claim, action, or proceeding brought by the DEPARTMENT OF JUSTICE, is not subject to stay because it would be an exercise of police and regulatory power, and **Laboratorio Clínico del Pueblo**, waives and shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claim, action, or proceeding brought by the DEPARTMENT OF JUSTICE within one hundred twenty (120) days of written notification to **Laboratorio Clínico del Pueblo**.

8. **Laboratorio Clínico del Pueblo**, further agrees to the following:

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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. §§ 1395-1395kkk-1 and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of **Laboratorio Clínico del Pueblo**, its present or former officers, directors, employees, shareholders, and agents in connection with:

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- (1) the matters covered by this Agreement.
 - (2) the DEPARTMENT OF JUSTICE or the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement.
 - (3) **Laboratorio Clínico del Pueblo**, investigation, defense, and corrective actions undertaken in response to the DEPARTMENT OF JUSTICE or United States audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorney's fees);
 - (4) the negotiation and performance of this Agreement; and
 - (5) the payment **Laboratorio Clínico del Pueblo**, makes to the DEPARTMENT OF JUSTICE pursuant to this Agreement

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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 **Laboratorio Clínico del Pueblo**, shall not

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charge such Unallowable Costs directly or indirectly under any contract with the Government of Puerto Rico, 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 **Laboratorio Clínico del Pueblo** or any of his subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: **Laboratorio Clínico del Pueblo** further agrees that within ninety (90) days of the Effective Date of this Agreement he 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 Government of Puerto Rico and/or 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 **Laboratorio Clínico del Pueblo** or any of his 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. **Laboratorio Clínico del Pueblo** agrees that the DEPARTMENT OF JUSTICE, at a minimum, shall be entitled to recoup from **Laboratorio Clínico del Pueblo**, 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.

Any payments due after the adjustments have been made shall be paid to the direction of the DEPARTMENT OF JUSTICE and/or the affected agencies. The DEPARTMENT OF JUSTICE, reserves its rights to disagree with any calculations submitted by **Laboratorio Clínico del Pueblo** or any of his subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on **Laboratorio Clínico del Pueblo** or any of his subsidiaries or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the DEPARTMENT OF JUSTICE and/or the United States to audit, examine, or re-

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examine **Laboratorio Clínico del Pueblo** books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

9. **Laboratorio Clínico del Pueblo** waives and shall not assert any defenses 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, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

10. 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.

11. **Laboratorio Clínico del Pueblo** agrees to 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.

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

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

14. This Agreement is governed by the laws of the Government of Puerto Rico and the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the Superior Court of the Government of Puerto Rico, San Juan Division. 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.

15. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

16. The undersigned counsels represent and warrant that they are fully authorized to execute this Agreement on behalf of the DEPARTMENT OF JUSTICE and **Laboratorio Clínico del Pueblo**, respectively.

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

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

PUERTO RICO DEPARTMENT OF JUSTICE

Hon. Lourdes Gómez Torres,
Secretary for Puerto Rico
Department of Justice

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DATED: June 16, 2026

BY: [Signature]
Lcdo. Luis Freire Borges
Executive Director
Puerto Rico Medicaid Fraud Control Unit
Department of Justice

DANIEL BORIS LIPTON

DATED: June 15, 2026
Daniel Boris Lipton
Laboratorio Clínico del Pueblo

BY: [Signature]

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DATED: 6-16-2026

[Signature]
Lcda. María Domínguez
Attorney for Laboratorio Clínico del Pueblo

Maria D. Gloria Quob's
Program Integrity Director
Medicaid Program

[Signature]
Lcdo. Julián R. Rodríguez Muñoz