

## SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the United States Drug Enforcement Administration ("DEA") (collectively the "United States"), and Rebecka Hoppins, N.D. (herein "Dr. Hoppins"), (hereinafter collectively referred to as "the Parties"), through their authorized representatives.

### Recitals

A. Dr. Hoppins is a licensed naturopathic physician ("N.D.") in the state of Washington who practices in Seattle, Washington. As a licensed naturopathic physician, Dr. Hoppins can prescribe certain prescription medications. However, the only controlled substances that a naturopathic physician is authorized to prescribe in Washington are testosterone and codeine products.

B. On January 31, 2008, Dr. Hoppins signed an attestation with the Washington State Department of Health that limited her authority to prescribe controlled substances to testosterone and codeine products.

C. Nonetheless and without receiving any authority from the DEA, between 2017 and 2022, Dr. Hoppins issued at least 110 prescriptions for controlled substances that she was not authorized to prescribe. These prescriptions included the benzodiazepine alprazolam; the Schedule II opioid hydrocodone and Schedule III opioid tramadol, and the sleep aids eszopiclone (commonly prescribed under the brand name Lunesta) and zopiclone (often sold under the brand name Ambien).

D. When contacted by the DEA in February 2022, Dr. Hoppins admitted and took responsibility for prescribing substances that she was not authorized to prescribe. Dr. Hoppins has also subsequently voluntarily surrendered her DEA registration to prescribe any controlled substances.

E. Dr. Hoppins acknowledges that the facts set forth above in these recitals are true and accurate and takes responsibility for the fact that she prescribed controlled substances that she

was not authorized to prescribe. Dr. Hoppins further acknowledges and understands that she had and continues to have, the surrendering of her DEA registration notwithstanding, an obligation to comply with the Controlled Substance Act, Chapter 21, United States Code, and the regulations promulgated thereunder.

F. Prior to entering into this Agreement, Dr. Hoppins implemented additional controls and redundancies in her ongoing practice to ensure that her prescribing practices are compliant with state and federal law going forward.

G. The United States contends that it has certain civil and/or administrative claims under the Controlled Substances Act, Chapter 21, United States Code, and its implementing regulations against Dr. Hoppins. Specifically, the United States contends that, between January 25, 2017, and January 25, 2022, Dr. Hoppins violated 21 U.S.C. § 842(a)(2), and regulations promulgated thereunder, by issuing at least 111 prescriptions for controlled substances that she was not authorized to prescribe. The United States' claims and allegations that Dr. Hoppins violated 21 U.S.C. § 842(a)(2), and regulations promulgated thereunder, and that therefore she is liable for an assessment of civil penalties for each violation, pursuant to 21 U.S.C. § 842(c)(1)(A) and 28 C.F.R. § 85.5, are set forth above in Paragraphs A through D above and shall hereinafter be referred to as the "Covered Conduct."

H. 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 of Agreement**

1. Dr. Hoppins shall pay the United States a total of \$16,500 (the Settlement Amount). Of the Settlement Amount, Dr. Hoppins will make an initial payment of \$11,000 within seven days pursuant to written instructions to be provided by the United States Attorney for the Eastern District of Washington. Thereafter, Dr. Hoppins shall pay the remainder of the Settlement Amount (\$5,500) in

four quarterly payments of \$1,375, plus simple interest of 2.59% to run from the Effective Date of the Settlement Agreement through payment, pursuant to a payment schedule and promissory note (hereinafter the Note) attached hereto as Attachment A, that Dr. Hoppins agrees to execute contemporaneously with this Agreement, the terms of which are incorporated in, and made a part of, this Agreement. Dr. Hoppins may at any time pay this \$16,500 together with accrued interest, or any portion thereof over and above her scheduled payments as set forth in the payment schedule in the Note, ahead of schedule without any pre-payment penalty.

2. Subject to the exceptions in Paragraph 5 (concerning excluded claims) herein, and conditioned upon Dr. Hoppins' full payment of the Settlement Amount under this agreement, the United States releases Dr. Hoppins from any civil or administrative claim the United States has for the Covered Conduct.

3. This Agreement in no way alters or restricts the United States' right to enforce the Controlled Substances Act and regulations promulgated thereunder by commencing an administrative or civil action against Dr. Hoppins for any conduct that does not arise from the Covered Conduct or that occurs after the Effective Date of this Agreement.

4. The obligations imposed upon Dr. Hoppins pursuant to this Agreement are in addition to, and not in derogation of, obligations imposed upon Dr. Hoppins pursuant to any federal, state or local law, including without limitation the Controlled Substances Act and the regulations promulgated thereunder.

5. Notwithstanding the releases given in Paragraph 2 of this Agreement, or any other term of this Agreement, the following claims of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability;

- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services; and
- g. Any liability for failure to deliver goods or services due.

6. Dr. Hoppins fully and finally releases the United States, its agencies, employees, servants, and agents from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) which Dr. Hoppins could have asserted, or may assert in the future against the United States, its agencies, employees, servants, and agents, related to the Covered Conduct, or arising from the United States' investigation and resolution of claims based upon the Covered Conduct.

7. Dr. Hoppins waives and shall not assert any defenses Dr. Hoppins 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. Nothing in this paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

8. Dr. Hoppins agrees 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. §§ 1395-1395kkk-1 and 1396-1396w-5; and the regulations and official program directives

promulgated thereunder) incurred by or on behalf of Dr. Hoppins, in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and investigation(s) of the matters covered by this Agreement;
- (3) Dr. Hoppins's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and 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 payments Dr. Hoppins makes to the United States pursuant to this Agreement,

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 Dr. Hoppins, and Dr. Hoppins 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 Dr. Hoppins to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Dr. Hoppins further agrees that within 90 days of the Effective Date of this Agreement she 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 Dr. Hoppins 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. Dr. Hoppins agrees that the United States, at a minimum, shall be entitled to recoup from Dr. Hoppins 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 United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by Dr. Hoppins on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on Dr. Hoppins's cost reports, cost statements, or information reports.

9. Dr. Hoppins warrants that she has reviewed her financial situation and that she currently is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I), and shall remain solvent following payment to the United States of the Settlement Amount. Further, the Parties warrant that, in evaluating whether to execute this Agreement, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to Dr. Hoppins, within the meaning of 11 U.S.C. §§ 547(c)(1); and (b) conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, Dr. Hoppins warrants that the mutual promises, covenants, and obligations set forth herein are intended to and do, in fact, represent a reasonably equivalent exchange of value that is not intended to hinder, delay, or defraud any entity to which Dr. Hoppins was or became indebted to on or after the date of this transfer, within the meaning of 11 U.S.C. § 548(a)(1).

10. If, within 91 days of the effective date of this agreement or of any payment made

under this Agreement, Dr. Hoppins commences, or a third party commences, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors (a) seeking to have any order for relief of Dr. Hoppins's debts, or seeking to adjudicate Dr. Hoppins as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for any substantial part of Dr. Hoppins's assets, Dr. Hoppins agrees as follows:

- a. Dr. Hoppins's obligations under this Agreement may not be avoided pursuant to 11 U.S.C. § 547, and Dr. Hoppins shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) Dr. Hoppins's obligations under this Agreement may be avoided under 11 U.S.C. § 547; (ii) Dr. Hoppins was insolvent at the time this Agreement was entered into, or became insolvent as a result of the payment made to the United States; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Dr. Hoppins;
- b. If Dr. Hoppins's obligations under this Agreement are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the United States, at its sole option, may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Dr. Hoppins for the claims that would otherwise be covered by the release provided in Paragraph 2, above. Dr. Hoppins agrees that: (i) any such claims, actions, or proceedings brought by the United States are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case or proceedings described in the first clause of this Paragraph, and Dr.

Hoppins shall not argue otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay; (ii) Dr Hoppins 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 claims, actions, or proceeding brought by the United States within 90 calendar days of written notification to Dr. Hoppins that the release has been rescinded pursuant to this Paragraph, except to the extent that such defenses were available on the effective date of this Agreement; and (iii) the United States has a valid claim against Dr. Hoppins in the amount of at least \$444,000 (a \$4,000 civil penalty for each of the 111 violations of 21 U.S.C. § 842(c)(1)(A)), and the United States may pursue its claim in the case, action, or proceeding referenced in the first Clause of this Paragraph, as well as in any other case, action, or proceeding.

- c. Dr. Hoppins acknowledges that her agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

11. 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.

12. In the event that Dr. Hoppins fails to pay the initial \$11,000 payment, or any installment payment due pursuant to the Payment Schedule set forth in the Note on or prior to the dates indicated therein, Dr. Hoppins will be in Default of her payment obligations (hereinafter "Default"). In the event of Default, the remaining unpaid balance of the Settlement Amount, including accrued interest (the "Remaining Settlement Amount") shall become immediately due and payable, and interest shall accrue at the rate of 12% per annum compounded daily (the



"Remaining Settlement Amount and Default Interest Balance") from the date of Default until all amounts due have been paid in full. Dr. Hoppins shall consent to a Consent Judgment in the amount of the Remaining Settlement Amount and Default Interest Balance (the "Dr. Hoppins Consent Judgment") and the United States, at its sole option, may: (a) offset the Dr. Hoppins Consent Judgment against any amounts due and owing to Dr. Hoppins by any department, agency, or agent of the United States; (b) collect the entire remaining Settlement Amount, plus interest including 12% interest from the Date of Default, and all other amounts due upon the event of Default as specified in this paragraph; or (c) exercise any other rights granted by law or in equity. Dr. Hoppins agrees not to contest any consent judgment or offset imposed and agrees not to contest, and hereby waives and discharges any defenses to, any collection action undertaken by the United States or its agents or contractors pursuant to this Settlement Agreement, either administratively or in any state or federal court. Dr. Hoppins shall pay the United States all reasonable costs of collection and enforcement under this Paragraph applicable to them, respectively, including attorney's fees and expenses ("Collection Costs").

13. In the event of Default, the United States may also, at its sole option, rescind this Settlement Agreement (hereinafter "Rescindment") and bring any civil and/or administrative claim, action, or proceeding against Dr. Hoppins for the covered Conduct. Rescindment shall be automatically effective upon the United States' bringing of the same. In the event of Rescindment, Dr. Hoppins shall not plead, argue, or otherwise raise, and hereby waives and discharges, any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceeding that are brought by the United States within 120 calendar days of Default, except to the extent that such defenses were available as of the effective date of this Agreement. Dr. Hoppins agrees that in the event of Rescindment she shall not plead, argue, or otherwise raise any defenses that any amounts paid to the United States pursuant to this Settlement Agreement should be used to reduce the

determination of the number of violations of 21 U.S.C. § 842(c)(1)(A) for purposes of determining the number of penalties or their respective amounts under 28 C.F.R. § 85.5. The option for Rescindment identified in this Paragraph is in addition to, and not in lieu of, other options identified in this Agreement or otherwise available.

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

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

16. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the Eastern District of Washington. 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.

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

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

19. This Agreement shall become final and binding only upon signing by all parties hereto.

20. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall together constitute one and the same agreement, and for purposes of this agreement, facsimile signatures shall be treated as equivalent to originals.

21. This Agreement is binding on Dr. Hoppins's successors, transferees, heirs, and assigns.

22. The Parties consent to the United States' disclosure of this Agreement, and

information about this Agreement, to the public.

23. 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.

THE UNITED STATES OF AMERICA

Vanessa R. Waldref  
United States Attorney  
Eastern District of Washington



DATED: 4/22/2022

BY: \_\_\_\_\_

Dan Fruchter  
Assistant United States Attorney  
Eastern District of Washington



DATED: 4/22/2022

BY: \_\_\_\_\_

Tyler Tornabene  
Assistant United States Attorney  
Eastern District of Washington

DR. REBECKA HOPPINS, N.D.

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Dr. Rebecka Hoppins, N.D.

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

Patrick C. Sheldon  
Forsberg & Umlauf, P.S.  
Counsel for Dr. Hoppins

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THE UNITED STATES OF AMERICA

Vanessa R. Waldref  
United States Attorney  
Eastern District of Washington

DATED: \_\_\_\_\_


BY: \_\_\_\_\_  
Dan Fruchter  
Assistant United States Attorney  
Eastern District of Washington

DATED: \_\_\_\_\_

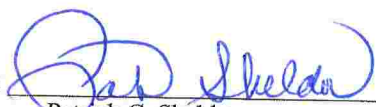
BY: \_\_\_\_\_  
Tyler Tornabene  
Assistant United States Attorney  
Eastern District of Washington

DR. REBECKA HOPPINS, N.D.

DATED: 4-22-22

BY:  \_\_\_\_\_  
Dr. Rebecka Hoppins, N.D.

DATED: April 22, 2022

BY:  \_\_\_\_\_  
Patrick C. Sheldon  
Forsberg & Umlauf, P.S.  
Counsel for Dr. Hoppins