

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA and)	
STATES, <i>ex rel.</i> CHRISTOPHER)	
PIACENTILE,)	
)	
Plaintiffs,	)	No. 14 C 3988
v.)	
	)	Judge Rowland
SNAP DIAGNOSTICS LLC, <i>et al.</i> ,)	
)	
Defendants.)	

UNITED STATES OF AMERICA and)	
STATES, <i>ex rel.</i> JOHN DOE,)	
)	
Plaintiffs,)	
	)	No. 15 C 6204
v.)	
	)	Judge Rowland
SNAP DIAGNOSTICS, LLC, <i>et al.</i> ,)	
)	
Defendants.)	

UNITED STATES OF AMERICA,)	
)	
Plaintiff-Intervenor,)	
	)	No. 14 C 3988
v.	)	No. 15 C 6204
)	
SNAP DIAGNOSTICS, LLC, GIL RAVIV,	)	Judge Rowland
and STEPHEN BURTON,)	
)	
Defendants.)	

ORDER

Pursuant to Federal Rule of Civil Procedure 41(a)(2), and the consent of the parties under the terms of the attached Settlement Agreement (Exhibit A hereto), and the court being fully advised,

It is HEREBY ORDERED that:

1. The claims of plaintiff-intervenor the United States of America are dismissed with prejudice as to defendants SNAP Diagnostics, LLC, Gil Raviv, and Stephen Burton. The claims of the United States are dismissed without prejudice as to non-intervened defendants Leslie Gardea, Apria Healthcare Group, Inc., Lincare Holdings, Inc., DME Does, Physician Does, Ayelette Raviv, S. Jerry Pinto, M.D., Lisa Shives, M.D., Thomas J. Kehoe, M.D., Parvesh K. Bansal, M.D., and Manhattan Cardiology.

2. The claims of relator Christopher Piacentile are dismissed with prejudice as to SNAP Diagnostics LLC, Gil Raviv, Ph.D., Stephen Burton, and Leslie Gardea, and dismissed without prejudice as to defendants Apria Healthcare Group, Inc., Lincare Holdings, Inc., DME Does and Physician Does, except that relator Piacentile reserves his right to receive reasonable expenses, attorneys' fees and costs from defendants, pursuant to 31 U.S.C. §3730(d), the attached settlement agreement reached between the parties, and Local Rule 54.3.

3. The claims of relator Beverly Marcus, proceeding as John Doe, are dismissed with prejudice as to defendants SNAP Diagnostics, LLC, Snap Laboratories International, LLC, Gil Raviv, Ph.D., Ayelette Raviv, S. Jerry Pinto, M.D., Lisa Shives, M.D., and Thomas J. Kehoe, M.D., and dismissed without prejudice as to defendants Parvesh K. Bansal, M.D. and Manhattan Cardiology, except that relator Marcus reserves her right to receive reasonable expenses, attorneys' fees and costs from defendants, pursuant to 31 U.S.C. §3730(d), the attached settlement agreement reached between the parties, and Local Rule 54.3.

4. All parties will bear their own expenses, costs and attorneys' fees except as provided otherwise in the Settlement Agreement and as stated above.

E N T E R:

A handwritten signature in cursive script, reading "Mary M Rowland".

Judge Mary M. Rowland
United States District Court

Dated: June 3, 2022

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA, and)	
STATES, <i>ex rel.</i> CHRISTOPHER)	
PIACENTILE,)	
)	
Plaintiffs,)	
v.)	
	)	No. 14 C 3988
SNAP DIAGNOSTICS LLC, GIL RAVIV,)	
PH.D., STEPHEN BURTON, LESLIE	)	Judge Rowland
GARDEA, APRIA HEALTHCARE)	
GROUP, INC., LINCARE HOLDINGS,)	
INC., DME DOES and PHYSICIAN DOES,)	
)	
Defendants.)	

UNITED STATES OF AMERICA, and)	
STATES, <i>ex rel.</i> JOHN DOE,)	
)	
Plaintiffs,)	
)	
v.)	
	)	No. 15 C 6204
SNAP DIAGNOSTICS, LLC, SNAP)	
LABORATORIES INTERNATIONAL,	)	Judge Rowland
LLC, GIL RAVIV, Ph.D., AYELETTE)	
RAVIV, S. JERRY PINTO, M.D., LISA)	
SHIVES, M.D., THOMAS J. KEHOE M.D.,)	
PARVESH K. BANSAL M.D., and)	
MANHATTAN CARDIOLOGY,)	
)	
Defendants.)	

UNITED STATES OF AMERICA,)	
)	
Plaintiff-Intervenor,	)	No. 14 C 3988
v.	)	No. 15 C 6204
)	
SNAP DIAGNOSTICS, LLC, GIL RAVIV,	)	Judge Rowland
and STEPHEN BURTON,)	
)	
Defendants.)	

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into between the United States of America, by John R. Lausch, Jr., United States Attorney for the Northern District of Illinois, and on behalf of the Office of Inspector General (OIG-HHS) of the Department of Health and Human Services (HHS), the Defense Health Agency (DHA), acting on behalf of the TRICARE program, Office of the General Counsel (OGC-VA) of the Department of Veterans Affairs (VA), Office of the Inspector General (OIG-OPM) of the Office of Personnel Management (OPM), Office of the Inspector General (OIG-RRB) of the Railroad Retirement Board (RRB) (together, “the United States”), and defendants SNAP Diagnostics, LLC (SNAP), Gil Raviv (Raviv), Stephen Burton (Burton), and relators Christopher Piacentile and Beverly Marcus (hereafter collectively referred to as “the Parties”), through their authorized representatives.

Recitals

A. SNAP Diagnostics, LLC (SNAP), is an independent diagnostic testing facility that provides home sleep testing services for beneficiaries of federal health care programs. SNAP submitted claims for payment to the United States that included payments for those services. SNAP has used the National Provider Identifiers 1558440768 (under a predecessor entity, SNAP Laboratories International, LLC) and 1861655961 (under its current name) for submission of claims for payment to federal health care programs. Gil Raviv is SNAP’s founder, president, and chief executive officer. Stephen Burton is SNAP’s vice president of marketing & business development.

B. On May 29, 2014, relator Christopher Piacentile (“Relator Piacentile”) filed a *qui tam* action under seal in the United States District Court for the Northern District of Illinois, captioned *United States and States ex rel. Piacentile v. SNAP Diagnostics, LLC, et al.*, No. 14 C

3988 (Civil Action No. 1), pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b), and the Anti-Kickback Statute, 42 U.S.C. § 1320-7b(b). Relator Piacentile amended his complaint on February 8, 2016. Both the complaint and amended complaint alleged that SNAP, Raviv, Burton and other defendants engaged in a “billing and kickback scheme related to the diagnosis and treatment of sleep apnea,” that defrauded Medicare and other federal health care programs. Among other schemes, Relator Piacentile alleged that the defendants claimed payment from federal health care programs, including Medicare, for multiple, medically unnecessary home sleep testing services per beneficiary and offered and provided kickbacks to providers and marketers to induce the ordering of home sleep testing services.

C. On June 15, 2015, relator Beverly Marcus, under the alias John Doe, filed a *qui tam* action under seal, pursuant to the False Claims Act, 31 U.S.C. § 3730(b) and the Anti-Kickback Statute, 42 U.S.C. § 1320a-7(b), in the United States District Court for the Middle District of Florida, which was subsequently transferred to the United States District Court for the Northern District of Illinois, captioned *United States ex rel. Doe v. SNAP Diagnostics, LLC, et al.*, No. 15 C 6204 (Civil Action No. 2). That complaint was amended twice, but in all versions, relator Marcus alleged that SNAP, Raviv, and other defendants defrauded Medicare and other federal health care programs by claiming medically unnecessary multiple home sleep tests per beneficiary, and offering and providing unlawful remuneration to providers and marketers, in violation of the Anti-Kickback Statute.¹

D. Civil Action No. 1 and Civil Action No. 2 are referred to collectively herein as the Civil Actions. The United States filed notices of intervention with respect to defendants SNAP,

¹ Relator Piacentile and Relator Marcus are referred to herein collectively as “Relators.”

Raviv and Burton in the Civil Actions on October 18, 2017, and the court consolidated the Civil Actions. The United States filed a consolidated Complaint-in-Intervention on December 18, 2017.

E. In connection with the Civil Actions, the United States contends that SNAP, Raviv, and Burton submitted or caused to be submitted false claims to the Medicare Program, Title XVIII of the Social Security Act, along with other federal health care programs.

F. On December 19, 2017, the Centers for Medicare & Medicaid Services (CMS) suspended Medicare payments to SNAP pursuant to 42 C.F.R. § 405.371(a)(2). The total amount held by the United States as the result of the suspension of Medicare payments to SNAP will be referred to herein as the “Suspended Medicare Amount.”

G. On December 19, 2017, the Railroad Retirement Board (RRB) suspended RRB payments to SNAP pursuant to 42 C.F.R. § 405.371(a)(2). The total amount held by the United States as the result of the suspension of RRB payments to SNAP will be referred to herein as the “Suspended RRB Amount.”

H. On July 9, 2019, the Department of Defense, Defense Health Agency (DHA) suspended claims payments to SNAP pursuant to 32 C.F.R. § 199.9. The total amount held by the United States as the result of DHA suspension of program payments to SNAP will be referred to herein as the “Suspended DHA Amount.”

I. The United States contends that SNAP, Raviv, and Burton submitted or caused to be submitted claims for payment to: the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll (“Medicare”); the TRICARE Program, 10 U.S.C. §§ 1071-1110b (“TRICARE”); the FEHBP, 5 U.S.C. §§ 8901-8914; and the Department of Veterans Affairs, Veterans Health Administration, 38 U.S.C. Chapter 17; and the Railroad Retirement Medicare Program, administered under the Railroad Retirement Act of 1974, 45 U.S.C. §§ 231-231v, by the

United States Railroad Retirement Board.

J. The United States contends that it has certain civil claims against SNAP, Raviv and Burton for submitting and/or causing the submission of millions of dollars of false claims to Medicare and other federal health care programs, including by causing the submission of claims rendered false through defendants' violations of the Anti-Kickback Statute, by engaging in the following conduct (hereinafter the Covered Conduct) from March 3, 2009, through July 26, 2021:

1. Routinely claiming to federal health care programs multiple home sleep testing services for federal health care program beneficiaries, under CPT codes G0399, G0400, 95800 and 95806, where the additional claims beyond the first were not medically necessary and did not meet the requirements of the Medicare, TRICARE, CHAMPVA, Federal Employee Health Benefit, and the Railroad Retirement Board programs, and further that defendants did so:

- a. in order to increase federal payments for those services;
- b. despite actually knowing that only a few hours of home sleep testing in a single night were needed for SNAP's home sleep test recorders to diagnose obstructive sleep apnea ("OSA"), which was their sole approved purpose;
- c. without physician orders for the additionally claimed diagnostic tests;
- d. while misleading referring providers about how much testing was medically necessary to diagnose OSA; and
- e. while unnecessarily and unlawfully multiplying the copays of the federal health care beneficiaries, including senior citizens who were Medicare beneficiaries.

2. Engaging in several unlawful kickback schemes, in order to further the fraudulent business model described above, including offering and providing the following remuneration:

- a. With the promotion and marketing of Burton and Raviv, and at the direction of

Raviv, SNAP carried out the interpretation of the home sleep tests and, for beneficiaries relying on private insurance, SNAP provided its unsigned interpretation reports to the referring physicians, so that those providers could “keep” the billing for the professional component of home sleep testing services;

- b. At the direction of Raviv, with the assistance of Burton, SNAP used independent contractors to directly market SNAP’s services to referring physicians, and SNAP paid those contractors commissions per sleep test sold, claimed, and paid, including for federal health care program beneficiaries; and
- c. At the direction of Raviv, with the assistance of Burton, SNAP pitched to referring providers a model that included giving providers and their families, as well as provider staff members, free, discounted, or no copay home sleep tests in order to induce them to refer all of their home sleep testing services to SNAP.

K. Relators claim entitlement under 31 U.S.C. § 3730(d)(1)-(2) to Relators’ reasonable expenses, attorneys’ fees, and costs.

L. This Agreement is neither an admission of liability by SNAP, Raviv, or Burton, nor a concession by the United States that its claims are not well founded.

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 Agreement, the Parties agree and covenant as follows:

Terms and Conditions

1. SNAP shall pay the United States \$3,500,000 (three million, five hundred thousand dollars) (SNAP Settlement Amount). Gil Raviv shall pay the United States \$300,000 (three hundred thousand dollars) (Raviv Settlement Amount). Stephen Burton shall pay the United States

\$125,000 (one hundred twenty five thousand dollars) (Burton Settlement Amount), for a total Settlement Amount of \$3,925,000 (Total Settlement Amount). The Total Settlement Amount (and each of the SNAP Settlement Amount, the Raviv Settlement Amount, and the Burton Settlement Amount, respectively) constitutes restitution to the United States. It shall be paid as follows:

a. For payment of the SNAP Settlement Amount, SNAP agrees to the terms of paragraph 7.a. below.

b. For payment of the Raviv Settlement Amount, Raviv agrees to pay to the United States \$300,000, no later than 15 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 Northern District of Illinois.

c. For payment of the Burton Settlement Amount, Burton agrees to pay to the United States \$125,000, no later than 15 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 Northern District of Illinois.

2. Conditioned upon the United States receiving payment of the SNAP Settlement Amount, the United States shall pay Relator Piacentile by electronic funds transfer \$805,000 ("Relator Share of SNAP"), as soon as feasible after receipt. Conditioned upon the United States receiving payment of the Raviv Settlement Amount, the United States shall pay Relator Piacentile by electronic funds transfer \$69,000 ("Relator Share of Raviv"), as soon as feasible after receipt. Conditioned upon the United States receiving payment of the Burton Settlement Amount, the United States shall pay Relator Piacentile by electronic funds transfer \$28,750 ("Relator Share of Burton"), as soon as feasible after receipt. Within a reasonable time after Relator Piacentile receives the Relator Share of each payment that SNAP, Raviv and Burton make to the United

States under this Agreement, Relator Piacentile shall pay to Relator Marcus her share of each such Relator Share payment as specified in a separate written agreement previously executed by the Relators.

3. Subject to the exceptions in Paragraph 6 (concerning excluded claims) below, and:

a. Conditioned upon full payment of the SNAP Settlement Amount, and subject to Paragraph 10, below (concerning Financial Disclosures) and Paragraph 21, below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), the United States releases SNAP from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; any statutory provision for which the Civil Division of the Department of Justice has actual and present authority to assert and compromise, pursuant to 28 C.F.R. Part O, Subpart I, Section 0.45(D); or the common law theories of payment by mistake, unjust enrichment, and fraud.

b. Conditioned upon full payment of the Raviv Settlement Amount, and subject to Paragraph 10, below (concerning Financial Disclosures) and Paragraph 21, below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), the United States releases Raviv from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; any statutory provision for which the Civil Division of the Department of Justice has actual and present authority to assert and

compromise, pursuant to 28 C.F.R. Part O, Subpart I, Section 0.45(D); or the common law theories of payment by mistake, unjust enrichment, and fraud.

c. Conditioned upon full payment of the Burton Settlement Amount, and subject to Paragraph 10, below (concerning Financial Disclosures) and Paragraph 21, below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), the United States releases Burton from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; any statutory provision for which the Civil Division of the Department of Justice has actual and present authority to assert and compromise, pursuant to 28 C.F.R. Part O, Subpart I, Section 0.45(D); or the common law theories of payment by mistake, unjust enrichment, and fraud.

4. Subject to the exceptions in Paragraph 6 below, and the attorney's fees, expenses, and costs for Relators as set forth in 31 U.S.C. §3730(d):

a. Conditioned upon full payment of the SNAP Settlement Amount, and subject to Paragraph 10, below (concerning Financial Disclosures) and Paragraph 21, below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), Relators, along with their heirs, successors, attorneys, agents, and assigns, fully and finally release SNAP, along with its current and former employees, contractors, agents, representatives, executives, and directors; current and former parent corporations; divisions; and heirs, successors, attorneys, agents, and assigns, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Relators (individually and/or collectively) have asserted, could have asserted, or may assert in the

future against SNAP (along with its current and former employees, contractors, agents, representatives, executives, and directors; current and former parent corporations; divisions; and heirs, successors, attorneys, agents, and assigns), related to the allegations in the Civil Actions, the Relators' investigation and prosecution thereof, and any and all other liability, claims, demands, actions, or causes of action whatsoever, whether known or unknown, fixed or contingent, in law or in equity, in contract or in tort, under any federal or state statute or regulation, or in common law, that Relators individually and collectively otherwise would have standing to bring for themselves or any other entity as of the date of this Agreement. However, nothing in this Paragraph shall be construed in any way to release Relators' claims for reasonable expenses, attorneys' fees and costs incurred in connection with the Civil Actions pursuant to 31 U.S.C. § 3730(d).

b. Conditioned upon full payment of the Raviv Settlement Amount, and subject to Paragraph 10, below (concerning Financial Disclosures) and Paragraph 21, below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), Relators, for themselves and for their heirs, successors, attorneys, agents, and assigns, release Raviv along with his heirs, successors, attorneys, agents, and assigns, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Relators (individually and/or collectively) have asserted, could have asserted, or may assert in the future against Raviv, related to the allegations in the Civil Actions, the Relators' investigation and prosecution thereof, and any and all other liability, claims, demands, actions, or causes of action whatsoever, whether known or unknown, fixed or contingent, in law or in equity, in contract or in tort, under any federal or state statute or regulation, or in common law, that Relators (individually and/or collectively) otherwise would have standing to

bring for themselves or any other entity as of the date of this Agreement. However, nothing in this Paragraph shall be construed in any way to release Relators' claims for reasonable expenses, attorneys' fees and costs incurred in connection with the Civil Actions pursuant to 31 U.S.C. § 3730(d).

c. Conditioned upon full payment of the Burton Settlement Amount, and subject to Paragraph 10, below (concerning Financial Disclosures) and Paragraph 21, below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment made under this Agreement), Relators, for themselves and for their heirs, successors, attorneys, agents, and assigns, release Burton along with his heirs, successors, attorneys, agents, and assigns, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Relators (individually and/or collectively) have asserted, could have asserted, or may assert in the future against Burton, related to the allegations in the Civil Actions, the Relators' investigation and prosecution thereof, and any and all other liability, claims, demands, actions, or causes of action whatsoever, whether known or unknown, fixed or contingent, in law or in equity, in contract or in tort, under any federal or state statute or regulation, or in common law, that Relators (individually and/or collectively) otherwise would have standing to bring for themselves or any other entity as of the date of this Agreement. However, nothing in this Paragraph shall be construed in any way to release Relators' claims for reasonable expenses, attorneys' fees and costs incurred in connection with the Civil Actions pursuant to 31 U.S.C. § 3730(d).

5. In consideration of the obligations of SNAP and Raviv in this Agreement and the Corporate Integrity Agreement (CIA), entered into between OIG-HHS and SNAP and Raviv, and upon the United States' receipt of full payment of the SNAP Settlement Amount and Raviv

Settlement Amount, plus any interest due, the OIG-HHS shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from Medicare, Medicaid, and other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against SNAP and Raviv under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law) or 42 U.S.C. § 1320a-7(b)(7) (permissive exclusion for fraud, kickbacks, and other prohibited activities) for the Covered Conduct, except as reserved in this paragraph and in Paragraph 6 (concerning reserved claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude SNAP and/or Raviv from Medicare, Medicaid, and other Federal health care programs under 42 U.S.C. § 1320a-7(a) (mandatory exclusion) based upon the Covered Conduct. Nothing in this paragraph precludes the OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 6, below.

6. Notwithstanding the releases given in paragraphs 3, 4, and 5 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, including mandatory or permissive exclusion from Federal health care programs;
- 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 of individuals, except defendants Raviv and Burton as released in this Agreement;

g. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

7. The claim payments held in suspension shall be addressed as follows:

a. SNAP hereby agrees that the United States shall retain \$3,500,000 from the Suspended Medicare Amount forevermore. SNAP expressly relinquishes any and all rights of any kind that it may have with respect to the \$3,500,000 payment, including, but not limited to: any and all claims or rights to have an overpayment determined under 42 C.F.R. § 405.372(c), any and all rights to payment of those funds, and any and all rights to appeal, whether formally or informally and whether administratively or judicially, the right of the United States and/or CMS to retain those funds, and any other rights SNAP may have to challenge the withholding or the suspension in any respect. The Medicare payment suspension then will be terminated, and the remainder of the Suspended Medicare Amount will be processed in accordance with 42 C.F.R. 405.372(e).

b. The DHA payment suspension shall be terminated following the \$3,500,000 payment by SNAP pursuant to Paragraph 7(a) above. With respect to the Suspended DHA Amount, and the claims underlying that amount, DHA shall adjudicate those claims in accordance with rules and payment rates in effect on the dates of service for such claims, and deny and retain payment forevermore for any G0399, G0400, 95800 or 95806 claims beyond the first submitted per beneficiary within a 7-day period through the termination of the DHA payment suspension. SNAP expressly relinquishes any and all rights of any kind that it may have with respect to those claims or funds denied pursuant to this paragraph, including, but not limited to: any and all claims or rights to have an overpayment determined under 42 C.F.R. § 405.372(c), any and all rights to payment of those funds, and any and all rights to appeal, whether formally or

informally and whether administratively or judicially, the right of the United States and/or DHA to retain those funds, and any other rights SNAP may have to challenge the withholding or the suspension in any respect. The claims not so denied will be adjudicated, processed, and paid pursuant to program rules.

c. The RRB payment suspension shall be terminated following the \$3,500,000 payment by SNAP pursuant to Paragraph 7(a) above. The Suspended RRB Amount then will be used to satisfy any overpayments and then processed in accordance with 42 C.F.R. 405.372(e). ,

8. Relators and their heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Subject to Paragraph 10 (concerning Financial Disclosures), conditioned upon Relators' receipt of the payment(s) described in Paragraph 2, Relators and their heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Actions or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Civil Actions.

9. The Settlement Amount represents the amount the United States is willing to accept in compromise of its civil claims arising from the Covered Conduct due solely to SNAP's, Raviv's and Burton's respective financial conditions as reflected in the Financial Disclosures referenced in Paragraph 10.

10. Each of SNAP, Raviv and Burton respectively has provided sworn financial disclosure statements (Financial Disclosures) to the United States, and the United States has relied on the accuracy and completeness of those Financial Disclosures in reaching this Agreement.

Each of SNAP, Raviv and Burton warrants that their respective Financial Disclosures are complete, accurate, and current. If the United States learns of assets in which either SNAP, Raviv, and/or Burton had an interest at the time of this Agreement that were not disclosed in the Financial Disclosures, or if the United States learns of any misrepresentation by any of them on, or in connection with, the Financial Disclosures, and if such nondisclosure or misrepresentation changes the estimated net worth set forth in the Financial Disclosures by \$20,000 or more, the United States may at its option: (a) rescind this Agreement and reinstate its suit based on the Covered Conduct as to the party that misrepresented or failed to properly disclose assets, or (b) let the Agreement stand and collect the Settlement Amount applicable to the party that misrepresented or failed to properly disclose assets plus one hundred percent (100%) of the net value of the previously undisclosed assets of the party that misrepresented or failed to properly disclose assets. The party that misrepresented or failed to properly disclose assets (whether SNAP, Raviv, and/or Burton) agrees not to contest any collection action undertaken by the United States pursuant to this provision, and immediately to pay the United States all reasonable costs incurred in such an action, including attorney's fees and expenses.

11. In the event that the United States, pursuant to Paragraph 10 (concerning disclosure of assets), above, opts to rescind this Agreement as to the party that misrepresented or failed to properly disclose assets, the party that misrepresented or failed to properly disclose assets (whether SNAP, Raviv and/or Burton) agrees not to plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that (a) are filed by the United States within 120 calendar days of written notification to the party that misrepresented or failed to properly disclose assets that this Agreement has been

rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on May 29, 2014.

12. Each of SNAP, Raviv and Burton waives and shall not assert any defenses it 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.

13. SNAP, Raviv, and Burton, and their current and former subsidiaries, parents, employees, officers, directors, agents, attorneys, fully and finally release the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that SNAP, Raviv and/or Burton have asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof.

14. SNAP, Raviv and Burton, along with their officers, agents, and employees; current and former parent corporations; divisions; and heirs, successors, attorneys, agents, and assigns, fully and finally release the Relators, along with their heirs, successors, attorneys, agents, and assigns, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that SNAP and/or Raviv and/or Burton have asserted, could have asserted, or may assert in the future against the Relators, related to the allegations in the Civil Actions, the Relators' investigation and prosecution thereof, and any and all other liability, claims, demands, actions, or causes of action whatsoever, whether known or unknown, fixed or contingent, in law or in equity,

in contract or in tort, under any federal or state statute or regulation, or in common law, that SNAP and/or Raviv and/or Burton otherwise would have standing to bring for themselves or any other entity as of the date of this Agreement.

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

16. SNAP, Raviv, and Burton 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. §§ 1395-1395kkk-1 and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of SNAP, Raviv, and Burton, either of their present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil and criminal investigation(s) of the matters covered by this Agreement;
- (3) SNAP, Raviv, and/or Burton's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil and criminal 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 SNAP, Raviv, and Burton make to the United States pursuant to this Agreement and any payments that they may make to Relator, including costs and attorney's fees; and

(6) the negotiation of, and obligations undertaken pursuant to the CIA to: (i) retain an independent review organization to perform annual reviews as described in Section III of the CIA; and (ii) prepare and submit reports to the OIG-HHS,

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). However, nothing in paragraph 12.a.(6) that may apply to the obligations undertaken pursuant to the CIA affects the status of costs that are not allowable based on any other authority applicable to SNAP, Raviv, or Burton.

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by SNAP, Raviv, and Burton, and they 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 SNAP or any of its subsidiaries or affiliates to any Medicare, RRB, DHA (including TRICARE), VA, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: SNAP, Raviv, and Burton further agree that, within 90 days of the Effective Date of this Agreement, each shall identify to applicable Medicare, RRB, DHA program (including TRICARE), VA program (including CHAMPVA) 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 SNAP or any of its 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. SNAP, Raviv, and Burton agree that the United States, at a minimum, shall be entitled to recoup from SNAP 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 SNAP, Raviv, and/or Burton, or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on SNAP or any of its 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 to audit, examine, or re-examine SNAP's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

17. SNAP, Raviv, and Burton agree to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, SNAP, Raviv, and Burton shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. SNAP, Raviv, and Burton further

agree to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf.

18. 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 20 (waiver for beneficiaries paragraph), below.

19. SNAP, Raviv, and Burton 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.

20. SNAP, Raviv, and Burton warrant that each has reviewed its financial situation and 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, SNAP, Raviv, and Burton warrant that, in evaluating whether to execute this Agreement, each (a) has intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to them, within the meaning of 11 U.S.C. § 547(c)(1), and (b) concludes that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, SNAP, Raviv, and Burton warrant 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 SNAP, Raviv, and/or Burton was or became indebted to on or after the date of this transfer, within the meaning of 11 U.S.C. § 548(a)(1).

21. If within 91 days of the Effective Date of this Agreement or of any payment made under this Agreement, SNAP, Raviv, and/or Burton 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 any of their debts, or seeking to adjudicate any of them as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for any of them, or for all or any substantial part of any of their assets, the party that commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors agrees as follows:

a. The obligations of the party that commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors under this Agreement may not be avoided pursuant to 11 U.S.C. § 547, and the party that commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) the obligations of the party that commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors under this Agreement may be avoided under 11 U.S.C. § 547; (ii) the party that commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors 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 the party that commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors.

b. If SNAP, Raviv and/or Burton'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 as to the party that commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors and bring any civil and/or administrative claim, action, or proceeding against the party whose obligations are avoided for any reason including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, for the claims that would otherwise be covered by the releases provided in Paragraphs 3 and 4 above. The party that commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors (whether SNAP, Raviv, and/or Burton) 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 the party that commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors shall not argue or otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay; (ii) the party that commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors 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 that are brought by the United States within 120 calendar days of written notification to the party that commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on May 29,

2014; and (iii) the United States has a viable claim against SNAP, Raviv, and Burton in the amount of \$26 million, 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. SNAP, Raviv, and Burton each acknowledges that its agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

22. Upon receipt of the payments described in Paragraph 1, above, the Parties shall promptly sign and file in the Civil Actions a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1), appending this Settlement Agreement.

23. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement, with the exception of expenses, attorney's fees, and costs for Relators as set forth in 31 U.S.C. §3730(d).

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

25. 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 Northern District of Illinois. 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.

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

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

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

29. This Agreement is binding on SNAP, Raviv, and Burton's successors, transferees, heirs, and assigns.

30. This Agreement is binding on Relators' successors, transferees, heirs, and assigns.

31. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

32. 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

JOHN R. LAUSCH, Jr.
United States Attorney

Dated: June 1, 2022


By: 
SARAH J. NORTH
Assistant United States Attorney
219 South Dearborn Street
Chicago, Illinois 60604
(312) 353-1413
sarah.north@usdoj.gov

Dated: 6/01/2022

By: 
LISA M. RE
Assistant Inspector General for Legal
Affairs
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Dep't of Health and Human Services

[continued]

Dated: 5/10/2022

By: 
PATRICIA MARSHALL
General Counsel to Inspector General
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Railroad Retirement Board

Dated: _____

By: _____
JUSTIN P. ZIMMER
Deputy Chief Counsel, Revenue Law
Office of General Counsel
U.S. Department of Veterans Affairs

Dated: _____

By: _____
SALVATORE M. MAIDA
General Counsel
Defense Health Agency
United States Department of Defense

Dated: _____


By: _____
EDWARD M. DEHARDE
Assistant Director of Federal Employee
Insurance Operations
Healthcare and Insurance
United States Office of Personnel
Management

[continued]

Dated: _____

By: _____
PATRICIA MARSHALL
General Counsel to Inspector General
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Railroad Retirement Board

Dated: 5/23/2022


By: _____
JUSTIN P. ZIMMER
Deputy Chief Counsel, Revenue Law
Office of General Counsel
U.S. Department of Veterans Affairs

Dated: _____

By: _____
SALVATORE M. MAIDA
General Counsel
Defense Health Agency
United States Department of Defense

Dated: _____

By: _____
EDWARD M. DEHARDE
Assistant Director of Federal Employee
Insurance Operations
Healthcare and Insurance
United States Office of Personnel
Management

[continued]

Dated: _____

By: _____
PATRICIA MARSHALL
General Counsel to Inspector General
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Railroad Retirement Board

Dated: _____

By: _____
JUSTIN P. ZIMMER
Deputy Chief Counsel, Revenue Law
Office of General Counsel
U.S. Department of Veterans Affairs

Dated: 06/01/2022

By: Paul N. Bley
SALVATORE M. MAIDA
General Counsel
for Defense Health Agency
United States Department of Defense

Dated: _____

By: _____
EDWARD M. DEHARDE
Assistant Director of Federal Employee
Insurance Operations
Healthcare and Insurance
United States Office of Personnel
Management

[continued]

Dated: _____

By: _____
PATRICIA MARSHALL
General Counsel to Inspector General
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Railroad Retirement Board

Dated: _____

By: _____
JUSTIN P. ZIMMER
Deputy Chief Counsel, Revenue Law
Office of General Counsel
U.S. Department of Veterans Affairs

Dated: _____

By: _____
SALVATORE M. MAIDA
General Counsel
Defense Health Agency
United States Department of Defense

Dated: _____

By: _____
EDWARD DEHARDE
Digitally signed by EDWARD DEHARDE
Date: 2022.05.20 11:36:10 -04'00'
EDWARD M. DEHARDE
Deputy Associate Director of Federal
Employee Insurance Operations, Healthcare
and Insurance
United States Office of Personnel Management

Dated: _____

By: _____
PAUL ST. HILLAIRES
Assistant Inspector General for Legal &
Legislative Affairs
Office of the Inspector General
United States Office of Personnel Management

[continued]

Dated: _____

By: _____
PATRICIA MARSHALL
General Counsel to Inspector General
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Railroad Retirement Board

Dated: _____

By: _____
JUSTIN P. ZIMMER
Deputy Chief Counsel, Revenue Law
Office of General Counsel
U.S. Department of Veterans Affairs

Dated: _____

By: _____
SALVATORE M. MAIDA
General Counsel
Defense Health Agency
United States Department of Defense

Dated: _____

By: _____
EDWARD M. DEHARDE
Deputy Associate Director of Federal
Employee Insurance Operations, Healthcare
and Insurance
United States Office of Personnel Management

Dated: _____


By: **PAUL ST
HILLAIRE** _____
PAUL ST. HILLAIRE
Assistant Inspector General for Legal &
Legislative Affairs
Office of the Inspector General
United States Office of Personnel Management

Digitally signed by PAUL ST
HILLAIRE
Date: 2022.05.19 13:53:13
-04'00'


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SNAP DIAGNOSTICS, LLC, DEFENDANT

Dated: 5/29/2022

By: 
Gil Raviv, President
SNAP Diagnostics, LLC

Dated: 05/29/2022

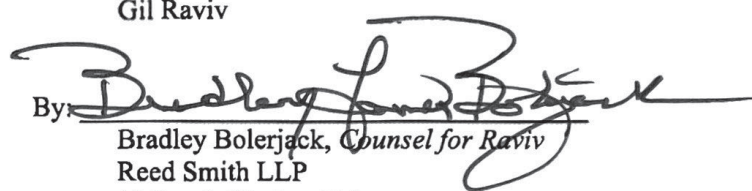
By: 
Bradley Bolerjack, *Counsel for SNAP*
Reed Smith LLP
10 South Wacker Drive
Chicago, IL 60606-7507

GIL RAVIV, DEFENDANT

Dated: 5/29/2022

By: 
Gil Raviv

Dated: 05/29/2022

By: 
Bradley Bolerjack, *Counsel for Raviv*
Reed Smith LLP
10 South Wacker Drive
Chicago, IL 60606-7507

STEPHEN BURTON, DEFENDANT

Dated: _____

By: _____
Stephen Burton

Dated: _____

By: _____
Lisa M. Noller, *Counsel for Burton*
Foley & Lardner LLP
321 North Clark Street | Suite 3000
Chicago, IL 60654-4762

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SNAP DIAGNOSTICS, LLC, DEFENDANT

Dated: _____

By: _____

Gil Raviv, President
SNAP Diagnostics, LLC

Dated: _____

By: _____

Bradley Bolerjack, *Counsel for SNAP*
Reed Smith LLP
10 South Wacker Drive
Chicago, IL 60606-7507

GIL RAVIV, DEFENDANT

Dated: _____

By: _____

Gil Raviv

Dated: _____

By: _____

Bradley Bolerjack, *Counsel for Raviv*
Reed Smith LLP
10 South Wacker Drive
Chicago, IL 60606-7507

STEPHEN BURTON, DEFENDANT

Dated: 5/26/22

By:  _____

Stephen Burton

Dated: 5/26/22

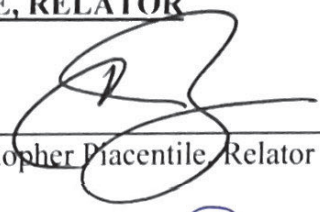
By:  _____

Lisa M. Noller, *Counsel for Burton*
Foley & Lardner LLP
321 North Clark Street | Suite 3000
Chicago, IL 60654-4762

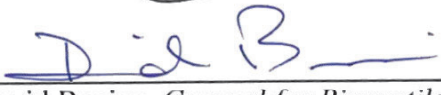
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CHRISTOPHER PIACENTILE, RELATOR

Dated: 5/26/2022

By: 
Christopher Piacentile, Relator

Dated: 5/26/2022

By: 
David Bocian, *Counsel for Piacentile*
Asher Alavi, *Counsel for Piacentile*
Kessler Topaz Meltzer & Check LLP
280 King of Prussia Road
Radnor, Pennsylvania 19087

BEVERLY MARCUS, RELATOR

Dated: _____

By: _____
Beverly Marcus, Relator

Dated: _____

By: _____
Brian McCormick Jr., *Counsel for Marcus*
Ross Feller Casey
One Liberty Place
1650 Market St, 34th Floor
Philadelphia, PA 19103

[end]

CHRISTOPHER PIACENTILE, RELATOR

Dated: _____

By: _____
Christopher Piacentile, Relator

Dated: _____

By: _____
David Bocian, *Counsel for Piacentile*
Asher Alavi, *Counsel for Piacentile*
Kessler Topaz Meltzer & Check LLP
280 King of Prussia Road
Radnor, Pennsylvania 19087

BEVERLY MARCUS, RELATOR

Dated: May 27, 2022

By: Beverly Marcus
Beverly Marcus, Relator

Dated: 5-30-22

By: Brian McCormick Jr.
Brian McCormick Jr., *Counsel for Marcus*
Ross Feller Casey
One Liberty Place
1650 Market St. 34th Floor
Philadelphia, PA 19103

[end]