

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General of the Department of Health and Human Services (“OIG-HHS”) (collectively, the “United States”), and Vault Medical Services, P.A. and Vault Medical Services of New Jersey, P.C. (collectively “Vault”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

### **RECITALS**

A. During the COVID-19 Public Health Emergency, Vault provided various COVID-19-related services to patients across the country, including COVID-19 vaccine administration and specimen collection services. Vault provided these services via telehealth and at in-person testing sites, and specimens were sent to laboratories for processing. Vault Medical Services of New Jersey, P.C. was headquartered in Hackensack, New Jersey, and Vault Medical Services, P.A. was headquartered in Coral Gables, FL.

B. The Health Resources & Services Administration (“HRSA”) is an agency of HHS. The United States contends that Vault submitted or caused to be submitted claims for payment to the HRSA COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured Program (“UIP”). Between approximately May 2020 and April 2022, the UIP reimbursed eligible providers for COVID-19 testing, testing-related treatment, and vaccination services performed on uninsured individuals.

C. The United States contends that it has certain civil claims against Vault for knowingly submitting or causing the submission of false claims for payment to the UIP for

COVID-19 Testing-Related Items and Services (as defined in the HRSA UIP Terms and Conditions), Specimen Collection, and COVID-19 Vaccine Administration (“COVID-19 Services”) it performed during the period from September 2020 through April 2022.

Specifically, the United States contends that during that time period:

1. Vault was aware of data integrity issues with patient information collected at the point of service but failed to substantively address those issues.
2. Vault did not ensure the collection of complete patient information, including demographic and insurance information.
3. Vault failed to properly confirm whether certain patients had health insurance coverage and disregarded insurance information for individuals for whom Vault had valid insurance information on file, including confirmation of insurance through insurance verification processes, before submitting claims to the UIP.
4. As a result, Vault submitted or caused to be submitted false claims for COVID-19 Services to the UIP for certain individuals who had health insurance coverage when Vault performed those services.

This conduct is referred to below as the “Covered Conduct.”

D. This Settlement Agreement is neither an admission of liability by Vault nor a concession by the United States that its claims are not well founded.

E. Vault denies the United States’ allegations contained in Paragraph C.

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

## TERMS AND CONDITIONS

1. Vault shall pay to the United States eight million dollars (\$8,000,000) (“Settlement Amount”), and interest on the Settlement Amount at a rate of 4.25% per annum from March 6, 2025, of which \$4,000,000 is restitution, no later than 10 days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and upon the United States’ receipt of the Settlement Amount plus interest due under Paragraph 1, the United States releases Vault, together with its current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, affiliated management companies, and the corporate successors and assigns of any of them, 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; or the common law theories of payment by mistake, unjust enrichment, and fraud.

3. Notwithstanding the release given in Paragraph 2 of this Agreement, or any other term of this Agreement, the following claims and rights 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 or enforcement right, 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;
- g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- h. Any liability for failure to deliver goods or services due; and
- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

4. Vault waives and shall not assert any defenses Vault 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.

5. Vault fully and finally releases 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 Vault has asserted, could have asserted, or may assert in the future against the United States, and its agencies, officers, agents, employees, and servants related to the Covered Conduct and the United States' 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 the HRSA UIP, related to the Covered Conduct; and Vault agrees not to resubmit to the HRSA UIP 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. Vault 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. §§ 1395-1395lll and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Vault, its 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 investigation(s) of the matters covered by this Agreement;
- (3) Vault's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement; and
- (5) the payment Vault 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 Vault, and Vault 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 Vault or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment:

Vault further agrees that within 90 days of the Effective Date of this Agreement it shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this Paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Vault 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. Vault agrees that the United States, at a minimum, shall be entitled to recoup from Vault 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 Vault or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Vault 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 Vault's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

8. Vault agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Vault 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. Vault further agrees 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.

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

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

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

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

13. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the District of New Jersey. For purposes of construing this Agreement, this Agreement shall be

deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

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

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

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

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

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

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

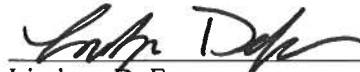
[SIGNATURES APPEAR ON NEXT PAGE]



THE UNITED STATES OF AMERICA

DATED: 4/21/25

BY:



Lindsay DeFrancesco  
Elizabeth J. Kappakas  
James Nealon  
Trial Attorneys  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

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

BY:

Kruti Dharia  
Assistant United States Attorney  
District of New Jersey

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

BY:

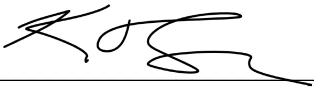
Susan E. Gillin  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

THE UNITED STATES OF AMERICA

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

BY: \_\_\_\_\_  
Lindsay DeFrancesco  
Elizabeth J. Kappakas  
James Nealon  
Trial Attorneys  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

DATED: 4/16/2025

BY:  \_\_\_\_\_  
Kruti Dharia  
Assistant United States Attorney  
District of New Jersey

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

BY: \_\_\_\_\_  
Susan E. Gillin  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

THE UNITED STATES OF AMERICA

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


BY: \_\_\_\_\_  
Lindsay DeFrancesco  
Elizabeth J. Kappakas  
James Nealon  
Trial Attorneys  
Commercial Litigation Branch  
Civil Division  
United States Department of Justice

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

BY: \_\_\_\_\_  
Kruti Dharia  
Assistant United States Attorney  
District of New Jersey

DATED: 4/8/25

BY: **SUSAN**  
**GILLIN**  
Susan E. Gillin  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

 Digitally signed by  
SUSAN GILLIN  
Date: 2025.04.08 16:45:13  
-04'00'

VAULT MEDICAL SERVICES, P.A. AND  
VAULT MEDICAL SERVICES OF NEW JERSEY, P.C.

DATED: 04 / 16 / 2025


BY:



Katherine Kelton  
VHI Corp., General Counsel

DATED: 4/16/25

BY:



Matthew O'Connor  
Krysten Rosen Moller  
Counsel for Vault Medical Services, P.A. and  
Vault Medical Services of New Jersey, P.C.