

Gilead Accuses Clinics of Stealing from their HIV Charity Program, Reselling on Black Market

By **Brendan Pierson**

Drugmaker Gilead Sciences Inc has filed a lawsuit accusing a slew of clinics, pharmacies and lab testing facilities in Florida of scheming to obtain the company's prophylactic anti-HIV drugs Truvada and Descovy through a program intended for low-income uninsured patients and sell them on the black market.

In a lawsuit filed Tuesday in federal court in Miami, Gilead alleged that two separate healthcare networks operated similar schemes, bringing claims including common law fraud, unjust enrichment and trademark infringement.

Gilead said one of the networks was centered around a clinic called Doctors United Group, and the other around a non-profit clinic group called Positive Health Alliance. Doctors United and Positive Health did not immediately respond to requests for comment, and it was not clear whether they were represented by counsel.



Geoffrey Potter

Partner

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The complaint named dozens of entities and individuals allegedly affiliated with the schemes. U.S. District Judge Kathleen Williams on Tuesday entered a temporary restraining order barring any of the defendants from taking part in Gilead's charitable program for uninsured patients at risk of HIV exposure, called the Advancing Access Medication Assistance Program (MAP), and ordered them to turn over any Truvada and Descovy in their possession.

Gilead described the defendants as "interconnected and growing networks of healthcare clinics, pharmacies and lab testing facilities throughout Florida" and the individual doctors, nurse practitioners and assistants who work for them. It claimed that the defendants recruit low-income people as "placeholders" to obtain Truvada or Descovy through MAP, repackage it in an "unlawful, trademark-infringing and potentially dangerous manner," buy it back from the placeholder recruits and sell it on the black market.

Defendants drive around Florida in vans looking for low-income, sometimes homeless people to recruit, bringing them back to clinics for examinations that one whistleblower recruit described as "a joke," Gilead said. Recruits are offered small payments for visiting the clinic, the company said.

"Defendants' schemes are not just a colossal financial fraud; they also actively endanger the health and safety of Floridians, placing the public at risk of serious illness or death," Gilead said. The wholesale price of the drugs is more than \$1,800 per bottle.

According to the lawsuit, they use complex relationships between entities to disguise their scheme.

"These entities purport to be separate businesses, but Gilead's investigation has revealed copious connections among them, including shared addresses, officers, and employees," the company said.

The company is seeking to recover all the reimbursements it says it has paid as a result of the defendants' fraud.

The case is *Gilead Sciences Inc v. AJC Medical Group Inc et al*, U.S. District Court, Southern District of Florida, No. 1:20-cv-24523.

For Gilead: Geoffrey Potter and Joshua Kipnees of Patterson Belknap Webb & Tyler.

For defendants: Not immediately available.

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