

# **Boston Scientific Guilty Of Fraud, Hit With \$296M Fine**

ST. PAUL, Minn. (AP) — Boston Scientific Corp.'s Guidant LLC division pleaded guilty Monday to two federal misdemeanor counts alleging it failed to properly disclose changes made to some implantable heart devices.

The deal calls for Guidant to pay more than \$296 million, which federal prosecutors called the largest criminal penalty ever assessed against a medical device company. The agreement does not include probation or restitution to victims.

U.S. District Judge Donovan Frank said he will decide within three weeks whether to reject the plea deal, accept it as written, or accept it with modifications.

During Monday's hearing in St. Paul, Larry Knopf, vice president and secretary of Guidant, pleaded guilty on behalf of the company to two misdemeanor counts: submitting a false and misleading report to the Federal Drug Administration about one defibrillator model, and failing to notify regulators about a safety correction to another line of devices.

"Guidant's guilty plea today is about accountability," Assistant Attorney General Tony West, head of the Justice Department's Civil Division, said in a written statement. "This successful prosecution serves as an important wake-up call to all those who seek to withhold vital information about public health and safety."

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