

Federal Contracting

Maryland Pharmacy, Whistleblower Settle Drug Fraud Lawsuit (1)

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Summary by Bloomberg AI

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- Maryland-based Blair Pharmacy Inc. settled a False Claims Act suit alleging it submitted false prescription claims for compound drugs to Medicare and TRICARE.
- Schnupp adequately alleged several fraud schemes, including a claim Blair routinely billed the government for 360 grams of a drug when beneficiaries only received 300 grams.
- Terms of the settlement weren't made available, and counsel for parties involved did not immediately respond to a request for comment.

Maryland-based Blair Pharmacy Inc. settled a False Claims Act suit alleging it submitted false prescription claims for compound drugs to Medicare and TRICARE, a federal district court said.

Blair, its owner, and whistleblower Timothy Schnupp settled all claims, including counterclaims, cross-claims, and third-party claims the pharmacy filed against Bahram Alavi and Atlas Medical Solutions LLC, Judge Ellen L. Hollander of the US District Court for the District of Maryland said in a Tuesday order.

- Terms of the settlement weren't made available. Neither counsel for Schnupp nor Blair immediately responded to a request for comment
- Schnupp adequately alleged several fraud schemes, including a claim Blair routinely billed the government for 360 grams of a drug when beneficiaries only received 300 grams, Hollander said in a January 2025 order
- Blair's claims against Alavi and Atlas sought indemnification against any damages in the suit. They had a distributor agreement under which Alavi and Atlas agreed to promote medications to physician customers where Blair operated, the third-party complaint said
- Robert Rhoad of Nichols Law PLC, counsel for Alavi and Atlas, said the order "effectively resolves the pending motion to dismiss we brought, which demonstrates the lack of any merit to the Blair defendants' claims against us, and dismisses those claims with prejudice." Rhoad also said "we did not participate in any settlement discussions and are not a party to any settlement agreement"

The Sheppard Law Firm represents Schnupp. Nelson Mullins Riley & Scarborough LLP represents Blair Pharmacy. Nichols Law PLLC represents Alavi and Atlas.

The case is United States ex rel. Schnupp v. Blair Pharm., D. Md., No. 17-cv-2335, 3/17/26.

(Updates story to include comment from attorney for third-party defendants starting in the fourth bullet point.)

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