

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 the Inspector General of the Department of Health and Human Services (“OIG-HHS”) and the Drug Enforcement Administration (“DEA”) (collectively, the “United States”) and Dr. Duncan Lahtinen (herein “Dr. Lahtinen”), through their authorized representatives. The United States and Dr. Lahtinen are hereafter collectively referred to as “the Parties.”

FACTUAL RECITALS

A. Dr. Lahtinen is a licensed physician in the State of Washington, who resides in Spokane, Washington, in the Eastern District of Washington. At all times relevant to this Settlement Agreement, Dr. Lahtinen was a DEA registrant practicing medicine, including the prescribing of controlled substances regulated under the Controlled Substances Act (CSA), 21 U.S.C. §§ 801 *et seq.*, and the regulations promulgated thereunder.

B. As described below, between in or about December 2017 and February 2025, Dr. Lahtinen issued over 800 prescriptions for Schedule II-IV controlled substances to five (5) patients. Many of these prescriptions were issued in some combination of opioids, benzodiazepines, sedatives, and carisoprodol.

C. Between January 11, 2019, and February 24, 2025, Dr. Lahtinen issued patient L.A. the following prescriptions: 37 prescriptions for alprazolam; 38 prescriptions for hydrocodone-acetaminophen; 98 prescriptions for oxycodone HCl; and 40 prescriptions for carisoprodol. Many of these prescriptions were issued in combinations or contemporaneous with each other.

D. Between December 28, 2017, and January 1, 2025, Dr. Lahtinen issued patient L.W. the following prescriptions: 51 prescriptions for alprazolam; 65 prescriptions for hydrocodone-

acetaminophen; 33 prescriptions for oxycodone HCl; and 31 prescriptions for carisoprodol. Many of these prescriptions were issued in combinations or contemporaneous with each other.

E. Between October 30, 2020, and October 18, 2024, Dr. Lahtinen issued patient L.G.C. the following prescriptions: 38 prescriptions for clonazepam; 58 prescriptions for hydrocodone-acetaminophen; 103 prescriptions for oxycodone HCl; 34 prescriptions for carisoprodol. Many of these prescriptions were issued in combinations or contemporaneous with each other.

F. Between December 3, 2018, and October 24, 2024, Dr. Lahtinen issued patient S.K.H. the following prescriptions: 22 prescriptions for carisoprodol; 45 prescriptions for alprazolam; 1 prescription for diazepam; and 49 prescriptions for oxycodone HCl. Many of these prescriptions were issued in combinations or contemporaneous with each other.

G. Between September 27, 2019, and October 24, 2024, Dr. Lahtinen issued patient R.P. the following prescriptions: 27 prescriptions for carisoprodol; 22 prescriptions for diazepam; 22 prescriptions for morphine; and 33 prescriptions for oxycodone HCl. Many of these prescriptions were issued in combinations or contemporaneous with each other.

H. The United States also identified additional prescriptions during its investigation that Dr. Lahtinen issued between August 1, 2018, and August 1, 2022, in combinations or contemporaneous with each other to the following patients. Dr. Lahtinen issued patient E.A. 25 prescriptions for alprazolam; 51 prescriptions for carisoprodol; 35 prescriptions for hydrocodone-acetaminophen; and 27 prescriptions for oxycodone HCl. Dr. Lahtinen issued patient L.L.C. 51 prescriptions for carisoprodol; 49 prescriptions for hydrocodone-acetaminophen; and 49 prescriptions for lorazepam. Dr. Lahtinen issued patient A.D. 11 prescriptions for alprazolam; 11 prescriptions for carisoprodol; 22 prescriptions for hydrocodone-acetaminophen; and 1 prescription for oxycodone HCl. Dr. Lahtinen issued patient R.D. 20 prescriptions for carisoprodol; 1 prescription for clonazepam; 1 prescription for hydrocodone-acetaminophen; 21

prescriptions for lorazepam; 14 prescriptions for morphine sulfate; 13 prescriptions for oxycodone HCl; and 19 prescriptions for tramadol. Dr. Lahtinen issued patient P.F. 15 prescriptions for carisoprodol; 3 prescriptions for hydrocodone-acetaminophen; and 49 prescriptions for lorazepam. Dr. Lahtinen issued patient D.G. 26 prescriptions for alprazolam; 1 prescription for carisoprodol; and 25 prescriptions for hydrocodone-acetaminophen. Dr. Lahtinen issued patient S.L.H. 22 prescriptions for carisoprodol; 26 prescriptions for diazepam; 18 prescriptions for hydrocodone-acetaminophen; and 1 prescription for oxycodone HCl. Dr. Lahtinen issued patient T.H. 49 prescriptions for alprazolam; 49 prescriptions for carisoprodol; and 29 prescriptions for hydrocodone- acetaminophen.

I. The United States contends that it has certain civil claims against Dr. Lahtinen under both the CSA and the False Claims Act (FCA), 31 U.S.C. §§ 3729 *et seq.* Specifically, the United States alleges that Dr. Lahtinen wrote prescriptions, as described in recitals B through H, for controlled substances that lacked a legitimate medical purpose and/or were issued outside the usual course of professional practice in violation of 21 U.S.C. § 842(a)(1) and 21 C.F.R. § 1306.04(a). This includes overlapping prescriptions for dangerous combinations of drugs, including opioids, benzodiazepines, and carisoprodol. The United States further alleges that between December 3, 2018, and February 24, 2025, Dr. Lahtinen violated the FCA by issuing invalid prescriptions that caused the presentation of false claims for payment to the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1399lll (“Medicare”) and the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5 (“Medicaid”). The United States alleges that Dr. Lahtinen’s conduct renders him liable to the United States for civil penalties and damages under the CSA and FCA. The conduct described in this paragraph, together with the agreed-upon facts and conduct set forth above in Recitals A through H is hereinafter referred to as the “Covered Conduct.”

J. While Dr. Lahtinen agrees to and admits the factual recitations in Paragraphs A through H above, this Settlement Agreement is not an admission of liability or fault by Dr. Lahtinen, who disputes the merits of the Government's claims and allegations, nor is it an admission by the Government that its claims are not well-founded.

K. 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. Dr. Lahtinen shall pay to the United States \$120,000.00 ("Settlement Amount"), none of which is restitution. Payment shall be made within sixty (60) days of the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney for the Eastern District of Washington.

2. Dr. Lahtinen shall sign a DEA Form 104 and voluntarily surrender his DEA registration. Dr. Lahtinen shall not seek reinstatement of his DEA registration for a period of three (3) years from the Effective Date of this Agreement.

3. Subject to the exceptions in Paragraphs 4, 10, and 11, and conditioned upon Dr. Lahtinen's full payment of the Settlement Amount under this agreement, the United States releases Dr. Lahtinen from any civil claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Controlled Substances Act, 21 U.S.C. §§ 801, et. seq.; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; and common law theories of payment by mistake, unjust enrichment, and fraud.

4. Notwithstanding the release given in Paragraph 3 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; and
- f. Any liability of individuals not party to this Agreement.

5. Dr. Lahtinen waives and shall not assert any defenses Dr. Lahtinen 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.

6. Dr. Lahtinen 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 Dr. Lahtinen 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.

7. Dr. Lahtinen 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 Dr. Lahtinen in connection with:

- i. the matters covered by this Agreement;
- ii. the United States' audit(s) and investigation(s) of the matters covered by this Agreement;
- iii. Dr. Lahtinen's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- iv. the negotiation and performance of this Agreement; and
- v. the payment Dr. Lahtinen 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 Dr. Lahtinen, and Dr. Lahtinen 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 Dr. Lahtinen to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

- c. Treatment of Unallowable Costs Previously Submitted for Payment: Dr. Lahtinen further agrees that within 90 days of the Effective Date of this Agreement he 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 Dr. Lahtinen, 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. Dr. Lahtinen agrees that the United States, at a minimum, shall be entitled to recoup from Dr. Lahtinen 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 Dr. Lahtinen on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Dr. Lahtinen's 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 Dr. Lahtinen's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

8. 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 9 (waiver for beneficiaries paragraph), below.

9. Dr. Lahtinen agrees that he 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.

10. Dr. Lahtinen warrants that he has reviewed his financial situation and that he 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, the Parties warrant that, in evaluating whether to execute this Agreement, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to Dr. Lahtinen, within the meaning of 11 U.S.C. §§ 547(c)(1); and (b) conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, Dr. Lahtinen warrants 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 Dr. Lahtinen was or became indebted to on or after the date of this transfer, within the meaning of 11 U.S.C. § 548(a)(1).

11. If, within 91 days of the effective date of this agreement or of any payment made under this Agreement, Dr. Lahtinen 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 Dr. Lahtinen's debts, or seeking to adjudicate Dr. Lahtinen as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for any substantial part of Dr. Lahtinen's assets, Dr. Lahtinen agrees as follows:

- a. Dr. Lahtinen's obligations under this Agreement may not be avoided pursuant to 11 U.S.C. § 547, and Dr. Lahtinen shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) Dr. Lahtinen's obligations under this Agreement may be avoided under 11 U.S.C. § 547; (ii) Dr. Lahtinen 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 Dr. Lahtinen;
- b. If Dr. Lahtinen'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 and bring any civil and/or administrative claim, action, or proceeding against Dr. Lahtinen for the claims that would otherwise be covered by the release provided in Paragraph 2, above. Dr. Lahtinen 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 Dr. Lahtinen shall not argue otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay; (ii) Dr. Lahtinen 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 brought by the United States within 90 calendar days of written notification to Dr. Lahtinen that the release has been rescinded pursuant to this Paragraph, except to the extent that such defenses were available on the effective date of this Agreement; and (iii) the United States has a valid claim against Dr. Lahtinen 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. Dr. Lahtinen acknowledges that his agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

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

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

14. 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 Eastern District of Washington. 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.

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

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

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

18. This Agreement is binding on Dr. Lahtinen's successors, transferees, heirs, and assigns.

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

20. 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

S. PETER SERANO
United States Attorney
Eastern District of Washington

DATED: 10/31/2025 BY:



Jeremy Kelley
Assistant United States Attorney

DATED: _____ BY:

EDWARD WILSON

Digitally signed by EDWARD
WILSON
Date: 2025.10.31 15:16:20 -04'00'

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

DEFENDANT

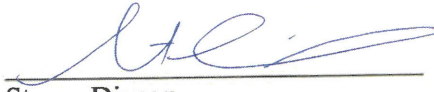
DATED: 10/31/2025

BY:


Duncan Lahtinen

DATED: 10/31/2025

BY:


Steven Dixson
Witherspoon Brajcich McPhee
Counsel for Duncan Lahtinen