



***United States Attorney
District of New Jersey***

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**WRIGHT MEDICAL TECHNOLOGY, INC. AGREES TO CORPORATE
COMPLIANCE REFORMS AND MONITOR OVERSIGHT TO ADDRESS
ALLEGED VIOLATIONS OF FEDERAL ANTI-KICKBACK STATUTE**

Company Also Agrees To Pay \$7.9 Million to Settle Government Claims

NEWARK, N.J. – Wright Medical Technology, Inc. (Wright) has executed a Deferred Prosecution Agreement (DPA), consenting to institute and continue corporate compliance procedures and federal monitoring pursuant to a 12-month agreement with the Department of Justice, First Assistant United States Attorney J. Gilmore Childers announced today. A related criminal Complaint filed today alleges Wright used consulting agreements with orthopaedic surgeons as an inducement to use its artificial hip and knee reconstruction products.

Wright – a publicly traded national manufacturer and distributor of orthopaedic implant devices and supplies based in Arlington, Tennessee – is charged in the criminal Complaint with conspiring to violate the federal anti-kickback statute. The criminal Complaint alleges that from 2002 through 2007, Wright entered into consulting agreements with certain orthopaedic surgeons which were designed and implemented, in part, to induce the surgeons to use, and cause the purchase of, Wright's hip and knee reconstruction and replacement products. Provided Wright meets all of the requirements provided in the DPA, the agreement will expire in 12 months and the Complaint will be dismissed.

As part of the DPA, Wright agreed to accept the appointment of a federal monitor to, among other things, review its compliance with the terms of the DPA and all new and existing consulting agreements. The monitor was selected by the U.S. Attorney's Office, consistent with United States Department of Justice guidelines, after a review of monitor candidates and in consultation with the company. Wright will be monitored by James B. Tucker, former United States Attorney for the Southern District of Mississippi.

In addition to the DPA, Wright has reached a civil settlement with the Department of Justice and the U.S. Department of Health and Human Services, Office of Inspector General (HHS-OIG). As part of the settlement, Wright has agreed to pay \$7.9 million to settle government claims that the company's fraudulent marketing practices caused false claims to be submitted to the federal Medicare program in violation of the civil federal False Claims Act. The company has also entered into five-year Corporate Integrity Agreement (CIA) with HHS-OIG, which requires additional reforms and monitoring under HHS-OIG supervision.

In September 2007, the U.S. Attorney's Office entered into DPAs with Zimmer, Inc.,

Depuy Orthopaedics, Inc., Biomet, Inc., and Smith & Nephew, Inc.; and a non-prosecution agreement with Stryker Orthopaedics, Inc. to resolve similar allegations of paying kickbacks to orthopaedic surgeons. The five companies were required to submit to monitoring, and the four companies then executing DPAs also entered into CIAs with HHS-OIG. From September 2007 through the expiration of the DPAs in March 2009, the four companies complied with the terms of their respective DPAs, and the criminal Complaints against them were dismissed in accord with the terms of those agreements. The CIAs remain in effect, and are scheduled to expire in September 2012.

Acting U.S. Attorney Childers stated: “Though it does not excuse any past conduct, we believe this agreement to be fair in light of the many corporate reforms instituted by Wright Medical. The Deferred Prosecution Agreement and monitor oversight will hold Wright to a high ethical standard, with potential consequences that provide a real incentive for change. Our vigilance, however, does not end with any one resolution; we are committed to the continuing investigation and prosecution of both companies and individuals who enter into illegitimate consulting relationships.”

“Today’s enforcement action reflects the commitment of the OIG and our special agents in New Jersey to work closely with the US Attorney’s Office in prosecuting unscrupulous health care companies,” said Tom ODonnell, OIG’s Special Agent in Charge for the region covering New Jersey. “Patients in federal health care programs deserve the best available treatment from physicians and surgeons without the corrupting influence of kickbacks from the medical device companies.”

First Assistant U.S. Attorney Childers credited special agents of HHS-OIG, New York Regional Office, under the direction of Special Agent in Charge Tom F. ODonnell; and special agents of the United States Postal Inspection Service, under the direction of Inspector in Charge David Collins, for their work in the investigation.

The government is represented by Assistant U.S. Attorney Joseph Mack of the U.S. Attorney’s Office Health Care and Government Fraud Unit and Assistant U.S. Attorney Alex Kriegsman of the Office’s Civil Division.

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Defense counsel: Karen F. Green, Esq., Wilmer Cutler Pickering Hale and Dorr LLP