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New York announces \$2.4 million settlement in overcharging scheme

Company will reimburse hundreds of state and local government entities

Larry Conley | *American City and County*

Jan 18, 2013

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Nearly 1,000 New York government entities will receive [a check for overcharges](#) as part of a \$2.4 million settlement with one of the nation's largest medical waste disposal companies. Under the agreement, Stericycle, Inc., will fully reimburse New York police and fire

departments, schools, hospitals, prisons and other entities for a scheme to charge [automated price increases](#) without notice and in violation of contract terms.

New York Attorney General Eric Schneiderman announced the settlement resulting from an investigation into a federal whistleblower complaint filed by a former Stericycle employee. The investigation found that since 2003, Stericycle had programmed its billing system to increase by 18 percent, an amount designed to go undetected by customers. If customers complained, Stericycle employees were instructed to state that the company had incurred increased costs from new environmental regulations or other causes.

Under the settlement, Stericycle will reimburse every impacted government entity for the full amount of [overcharges](#). The company also agreed to stop automated price increases to New York government customers and provide customers with notice and opportunity to opt-out before future rate increases.

Government entities affected by the overcharges are located throughout New York. Some



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entities receiving the largest compensation include the WF Bruen Rescue Squad, Rensselaer, \$26, 671.16; Albany Sheriff's Correctional, \$22,160.28; Broome Community College, Binghamton, \$13,966.86; Clinton Correctional Facility, Dannemora, \$21,094.35; and Cornell University College of Veterinary Medicine, Ithaca, \$9,409.46.

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Anonymous (not verified)

on Jan 29, 2013

From the punishment it seems to me that all that happened is they got caught. How about they pay back with 20% interest what they took, then loose any opportunity to do any business with any public entity, and any business that any of the partners of the business are involved in in the future not be able to do business with any public entity. Maybe whistle blowers should get a cash reward as well, paid by the corrupt company in the amount they scammed.

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kevinpatrick

on Oct 15, 2013

This is shocking news for all local medical waste disposal companies and I am sure this will affect them badly. I hope they will find some way to overcome this crisis. Thanks for sharing this with us and keep posting more updates in your blog.

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