



PRESS RELEASE

## U.S. Resolves Civil Claims Against Medical Device Manufacturer for Falsely Claiming that Chinese Components Sold to the Federal Government Were American Made

Wednesday, May 17, 2023

### For Immediate Release

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PROVIDENCE – The United States has resolved civil claims against a Massachusetts medical device manufacturer for selling Chinese-made products to the federal government that were required by law to have been made in America, announced United States Attorney Zachary A. Cunha.

The civil settlement, reached with Zoll Medical Corporation, a supplier of medical devices and related technology that is headquartered in Chelmsford, Massachusetts, follows an investigation into allegations that, between January 2019 and November 2022, Zoll sold electrocardiogram cables (“ECG”), which are used with defibrillators and cardiac monitors, to federal government purchasers, including the U.S. Department of Defense, despite knowing that the cables were manufactured in China, rather than the United States. Under the federal Trade Agreements Act, goods sold to the military or federal government purchasers must be made in America or certain designated foreign countries; China is not such a country.

In addition, the government alleges that, in January of 2019, Zoll inaccurately represented to government officials that replacement ECG cables offered by Zoll to federal government purchasers had, in fact, been manufactured in the United States.

This settlement marks the third civil resolution obtained by the District of Rhode Island since 2022 that involves allegedly false representations concerning foreign-manufactured goods that were passed off to government purchasers as American-made; it also follows two successful criminal prosecutions by this office, individuals who had various roles in a conspiracy that directed the development, manufacture, and importation of \$20 million worth of Chinese-made counterfeit U.S. military uniforms and gear that were passed off as genuine American-made products and sold to the U.S. government.

“When corporations choose to supply the American military and American government agencies with goods, the law is clear: we expect those goods to be American made,” said U.S. Attorney Cunha. “When companies fail in their legal duty by substituting foreign products for the U.S.-origin goods that the law requires, we will hold them accountable.”

Under the terms of a civil settlement agreement with the United States, Zoll will pay \$400,000 to the federal government to resolve claims based on this conduct under the common law doctrines of payment by mistake and breach of contract.

These allegations were brought to the government's attention by Jing Zhang, a former Zoll employee, who filed a qui tam complaint on behalf of the United States in May of 2019, alleging that Zoll violated the False Claims Act. After an extensive investigation of the whistleblower's allegations, the government has entered into its settlement of common law claims with Zoll as an alternate remedy under the False Claims Act.

Assistant U.S. Attorneys Bethany Wong and Dulce Donovan litigated the matter.

The case was investigated by the Food and Drug Administration Office of Criminal Investigations, Rhode Island Task Force; Department of Defense Office of Inspector General, Defense Criminal Investigative Service; Naval Criminal Investigative Service, Northeast Field Office; Army Criminal Investigation Division, Major Procurement Fraud Field Office; Air Force Office of Special Investigations, Procurement Fraud Detachment 6; Department of Veterans Affairs Office of Inspector General, Criminal Investigations Division, Northeast Field Office; Department of Homeland Security Office of Inspector General; and U.S. Dept. of Health and Human Services, Office of Inspector General, Boston Field Office.