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Local Physician Sentenced to 1 Year Imprisonment, a \$60,000 fine, and Restitution of \$349,272.79 for Adulterating and Misbranding Medical Devices with the Intent to Defraud

Spokane, Washington — On March 25, United States District Court Judge Rebecca L. Pennell sentenced Dr. Eric Edward Haeger, age 57, of Brewster, Washington, to one year and a day in federal prison followed by a one-year term of supervised release after Haeger pleaded guilty to adulterating and misbranding medical devices with the intent to defraud or mislead. Judge Pennell also sentenced Haeger to pay a \$60,000 fine and \$349,272.79 in restitution. The Plea Agreement can be found [here](#).

In June 2021, Philips Respironics initiated a recall for certain CPAP and BiPAP devices due to potential health risks associated with the foam used in the devices for sound abatement. The recall was classified as a Class I recall because there was a reasonable probability that the use of, or exposure to, the devices would cause serious adverse health consequences or death. The potential health risks identified at the time included inflammatory response, asthma, nausea or vomiting, and toxic or cancer-causing effects.

Based on court documents, between July 2021 and July 2023, Haeger purchased over 500 used and recalled CPAP and BiPAP devices through online resellers, which were shipped to the Eastern District of Washington. Haeger, and others at his direction, including his own children, would then open the devices, attempt to remove the foam using screw drivers, hooks, and other tools, and then put the devices back together. This conduct occurred in locations that were not designed or operated as clean rooms for the purpose of manufacturing medical devices.

Haeger and staff at his sleep clinic, Central Washington Medical Associates, under his control and supervision would then provide the used, recalled, and adulterated devices to Washington State Medicaid patients. Staff at the sleep clinic under Haeger's direction and control would then bill the used, recalled devices to Medicaid with the false and fraudulent representation that they were new devices that were in good working order.

At sentencing, the Court concluded that Defendant had adulterated and provided to patients 440 devices that were then billed to Medicaid for over \$600,000, of which \$439,272.79 was paid to Defendant. The United States contended that the number of devices and loss was even more extensive. The United States argued that each of these devices presented potential harm to the patients in the way they were adulterated, both because the adulteration exasperated the risk of inhaling harmful particulates and because the devices were altered from the carefully engineered and FDA approved design, which could cause additional problems with the devices such as overheating.

In sentencing Haeger to just over 12 months imprisonment, Judge Pennell acknowledged Haeger's conduct was ongoing and extensive and that he continued to blame others for his own decisions. Judge Pennell recognized Haeger's conduct created potential harm for his patients by creating a significant concern of contamination. Judge Pennell also stressed how Haeger's conduct served to undermine confidence in medical professionals and medical institutions, which can cause further anxiety and stress for those seeking medical treatment when they are not sure they can trust their own doctors.

"Dr. Haeger violated the trust of his patients who were misled into believing Dr. Haeger was providing them with safe and reliable medical equipment," stated First Assistant United States Attorney Pete Serrano. "Instead, Dr. Haeger devised an extensive scheme to defraud his patients and Medicaid, prioritizing profit over patient health and safety. Conduct that puts profits over patients is egregious, and my office will continue to prosecute such cases."

"The FDA is committed to protecting patients from adulterated and misbranded medical devices that may compromise health and safety," said Special Agent in Charge Robert Iwanicki, FDA Office of Criminal Investigations, Los Angeles Field Office. "This case demonstrates the serious consequences of altering recalled medical devices and misrepresenting them to patients and healthcare programs."

"Putting recalled and unsafe medical devices into the hands of vulnerable patients is an egregious violation of the trust our healthcare system relies on," said Robb Breeden, Special Agent in Charge of the Pacific Area Regional Office for the U.S. Department of Health and Human Services, Office of Inspector General (HHS-OIG). "Patients deserve to know that the equipment they depend on is safe and effective—not secretly refurbished, adulterated, or contaminated. Our investigation underscores a simple truth: when providers put profits ahead of patient safety, we will hold them accountable."

"The adulterations by Dr Haeger show a dangerous disregard for the safety of his patients," Washington Attorney General Nick Brown said. "This is a win for patient safety, for protecting public dollars from fraud, and for ensuring citizens of Washington get necessary healthcare. This case exemplifies the great work our team is doing in collaboration with our federal partners to fight fraud and protect Washingtonians."

"As a physician, Dr. Haeger knew he had a responsibility to act in the best interest of patients who trusted him with their health," said W. Mike Herrington, Special Agent in Charge of the FBI Seattle field office. "Instead, he risked the safety of hundreds of Medicaid patients by issuing them recalled medical devices he had tampered with, then fraudulently billing Medicaid representing the machines as new. Even worse, these Medicaid patients had limited treatment options, and he took advantage of their vulnerability for his own gain. Together with our state and federal partners, the FBI will hold accountable fraudsters who choose greed over their patients' health."

The case was investigated by the Food and Drug Administration Office of Criminal Investigations, the Washington State Medicaid Fraud Control Division, the Health and Human Services Office of the Inspector General, and the Federal Bureau of Investigation. It is being prosecuted by Assistant United States Attorney Jeremy J. Kelley.

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