

FRAUD, BIBES, STEERING AND LIMITING COMPETITION BY CORRUPT DEPARTMENT HEAD AT WALTER REED MEDICAL CENTER

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On September 30, 2021, David Laufer, 64, of Pittsburgh, Pennsylvania and formerly of Bethesda, Maryland, was sentenced to eight months in federal prison, followed by one year of supervised release, for acceptance of gratuities by a public official. Laufer, the former Chief of the Prosthetics and Orthotics Department at Walter Reed Medical Center was ordered to pay restitution in the amount of \$7,890.

According to the Justice Department, Laufer accepted thousands of dollars in cash and gifts from a company, Pinnacle Orthopedic Services, to which he steered government business worth millions of dollars. In addition, according to court documents, between 2012 and 2016, Laufer and his wife received airline tickets, lodging, entertainment tickets as well as direct cash payments for his official acts as the Chief of Prosthetics. Laufer also admitted he restricted the availability of Blanket Purchase Agreements to certain manufacturers and distributors from whom Pinnacle purchased products, thereby inhibiting those companies from dealing directly with Walter Reed, and actively encouraged and directed those companies to sell through Pinnacle, knowing it would result in a higher price to the government.

Between 2014 and 2019, Laufer failed to disclose the financial benefits he received from Pinnacle on his financial disclosure filings. Further, when interviewed by federal agents on numerous occasions, Laufer denied receiving any financial benefits from Pinnacle.

Earlier in September, Bruce Thomas, a resident of Montgomery County, Maryland, who owned, operated and controlled Pinnacle Orthopedic Services, was sentenced to eight months in federal prison followed by one year of supervised release, for paying gratuities to a public official in exchange for official acts. Thomas was also ordered to pay a fine of \$50,000 and pay restitution in the amount of \$27,890.

Walter Reed Medical Center is the largest joint military medical center in the United States.