

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
ASHEVILLE DIVISION
CIVIL CASE NO. 1:17-cv-00015-MR-DLH**

| | | |
|--|---|--------------------------------|
| UNITED STATES OF AMERICA, |) | |
| |) | |
| Plaintiff, |) | |
| |) | |
| vs. |) | <u>DEFAULT JUDGMENT</u> |
| |) | |
| \$8,000,000 in funds in the form of |) | |
| a wire transfer from Baxter |) | |
| Healthcare Corporation, |) | |
| |) | |
| Defendant. |) | |
| |) | |

THIS MATTER is before the Court on the Government’s Amended Motion for Default Judgment [Doc. 13].

I. BACKGROUND

On January 12, 2017, the Government filed a verified Complaint for Forfeiture *In Rem* [Doc. 1] of the above-captioned \$8,000,000 in funds in the form of a wire transfer from Baxter Healthcare Corporation. The Government contended that the Defendant Property constituted, derived from, or was traceable to proceeds of a violation of 21 U.S.C. § 331, a federal healthcare offense relating to a health care benefit program involving the introduction into interstate commerce of an adulterated drug. Along with the Complaint,

the Government filed a Settlement Agreement [Doc. 2] between the United States and Baxter Healthcare Corporation. In the Settlement Agreement, Baxter Healthcare Corporation agreed that it was the sole owner of the Defendant Property and that the Property was not subject to any claims of ownership, and agreed to forfeit all of its right, title, and interest in the Defendant Property to the United States. Upon filing of the Complaint and Settlement, the Clerk issued a Warrant of Arrest *In Rem* [Doc. 4] and the Government seized the Defendant Property pursuant to the Warrant.

Thereafter, the Government provided notice by publication as to all persons in the world with potential claims to the Defendant Property. Specifically, from January 20, 2017 through February 18, 2017, the Government published notice via www.forfeiture.gov as shown on the Submission of Declaration of Publication dated and filed on March 21, 2017 [Doc. 6]. Based on that notice, the deadline for filing claims was March 21, 2017.

Following a hearing whereby the Court expressed some concerns about the sufficiency of the property description included in the January/February 2017 internet notice, the Government engaged in numerous communications with Baxter Healthcare Corporation in order to refine the description of the property in the internet notice. The Government

ultimately determined that the best available description of the property was “\$8,000,000 in Funds in the possession of the United States, such Funds derived from a wire sent on or about January 18, 2017 from Baxter Healthcare Corporation to the United States and originating from a JP Morgan Chase Account known as BHC Account XXXX284.”

Using that property description, the Government again provided notice by publication as to all person in the world with potential claims to the Defendant property. Specifically, from October 13, 2017 through November 11, 2017, the Government published notice via www.forfeiture.gov as shown on the Submission of Declaration of Publication dated and filed on November 22, 2017 [Doc. 10]. Based on that notice, the deadline for filing claims was December 12, 2017.

Based on the foregoing, process was fully issued and returned according to law. Further, no claims were filed within the time period provided by law. Therefore, on December 20, 2017, on Motion [Doc. 11] of the Government, the Clerk of Court entered a default pursuant to Fed. R. Civ. P. 55(a) [Doc. 12].

II. LEGAL CONCLUSIONS

Fed. R. Civ. P. 55(b) provides for entry of the requested Default Judgment by the Court. Here, the United States has provided notice of

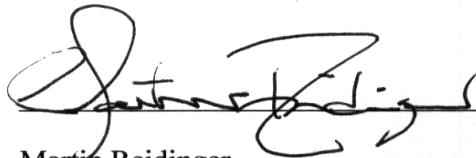
forfeiture in accordance with Federal Rules of Civil Procedure, Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, Rule G. Further, the time period for filing claims has expired, and no claims have been filed. Finally, the Clerk has entered default. Therefore, the requested Default Judgment is appropriate.

Based on the foregoing findings, the Court concludes that the Government is entitled to a Judgment of Forfeiture by Default against the Defendant Property.

IT IS, THEREFORE, ORDERED, ADJUDGED, AND DECREE that the Government's Amended Motion for Default Judgment [Doc. 13] is hereby **GRANTED**, and any and all right, title, and interest of all persons in the world in or to the Defendant Property is hereby forfeited to the United States, and no other right, title, or interest shall exist therein. The United States is hereby directed to dispose of the Defendant Property as provided by law.

IT IS SO ORDERED.

Signed: January 8, 2018


Martin Reidinger
United States District Judge

