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2nd Circ. Axes Diagnostic Test Fraud Suit Against Siemens

By **Madeline Lyskawa**

Law360 (February 24, 2026, 7:17 PM EST) -- The Second Circuit on Tuesday affirmed a lower court's dismissal of a lawsuit accusing Siemens of defrauding the government, saying there's no example of a single diagnostic medical test rendered unreliable from the company's alleged shipping practices.

The panel wrote in a seven-page summary order that former Siemens' employee Mary Bixler Wood's failure to allege a single example of an in vitro diagnostic device affected by Siemens' practice of shipping tests to customers at improper temperatures is "fatal" to her complaint because she has not identified the "who, what, when, where, and how of the fraud" Siemens allegedly perpetrated.

Wood sued Siemens Medical Solutions USA Inc., Siemens Healthcare Diagnostics Inc. and Siemens Healthcare Diagnostics Products GmbH under the False Claims Act after discovering the company knew its shipping practices for in vitro diagnostic devices made them unreliable, but hid the problem to save money, according to her July brief. The federal government, Washington, D.C., and all states declined to intervene in the suit.

However, the Eastern District of New York dismissed her second amended complaint in January 2025, reasoning that Woods failed to assert that the company's shipping practices compromised any tests for which claims to the government were actually submitted, the panel said, reaching the same conclusion.

Although Wood argued on appeal that the lower court improperly reframed her allegations, which assert that Siemens defrauded the government by selling tests the company knew to be unreliable, not verifiably false, the panel said Wood's pleadings concerning her belief about Siemens' shipping practices are not enough to save her complaint.

"Siemens sold millions of IVDs in the relevant time period, all of which Wood theorizes were shipped defectively. But Wood fails to specify a single example of a defective shipment, so she has not made 'plausible allegations creating a strong inference that specific false claims were submitted to the government,'" the panel said.

Wood's alternative theories that Siemens falsely certified to the government its compliance with certain regulations or contract terms, and that Siemens' actions resulted in customers submitting fraudulent Medicare reimbursement claims, "fare no better," the panel said.

"Wood simply speculates that some IVDs shipped to the government may have become unreliable, so she does not sufficiently allege that Siemens 'deprived the government of the intended benefits' of its

contracts ... Any noncompliance with the terms of those contracts was thus not 'material to the government's payment decision,'" the panel said.

Wood also fails to identify any customer who submitted Medicare reimbursement claims for the tests, alleging instead that such a claim must have occurred because Siemens sells so many IVDs, the panel said.

U.S. Circuit Judges Michael H. Park, Alison J. Nathan and Sarah A. L. Merriam sat on the panel for the Second Circuit.

Representatives for the parties did not immediately respond to requests for comment Tuesday.

Wood is represented by Brian M. Feldman and Sheila Baynes of Aurelian Law PLLC.

Siemens is represented by Joshua A. Goldberg, Jonah M. Knobler, Lauren S. Potter and Julie A. Simeone of Patterson Belknap Webb & Tyler LLP.

The case is United States of America v. Siemens Medical Solutions USA Inc., case number 25-864, in the U.S. Court of Appeals for the Second Circuit.

--Editing by Drashti Mehta.
