

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

United States v. Peters

Peters · No. 2:24-cv-00287-WBS-CKD · Decided May 22, 2025

SUMMARY

The United States District Court for the Eastern District of California grants in part the United States’ motion to compel discovery and for sanctions in an action alleging healthcare-related False Claims Act violations. The court orders the defendants to comply with a prior discovery order and their agreed discovery protocols, produce improperly withheld documents, and submit a declaration describing the search for responsive materials. The court also schedules an order-to-show-cause hearing concerning possible civil contempt and requires supplemental briefing on requested factual sanctions.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Carolyn K. Delaney
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	May 22, 2025
DOCKET	2:24-cv-00287-WBS-CKD
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved to compel defendants to respond to requests for production and requested discovery sanctions under Federal Rule of Civil Procedure 37(b)(2)(A).
STANDARD OF REVIEW	Discovery matters and the choice of discovery sanctions are reviewed or determined within the district court's broad discretion.
PRECEDENTIAL VALUE	unpublished district-court order; nonprecedential

TOPICS

- discovery dispute
- sanctions
- contempt
- civil procedure
- health law

PRACTICE AREAS

- civil procedure
- discovery
- False Claims Act
- healthcare fraud
- discovery sanctions

QUESTIONS PRESENTED

1. Whether defendants' failure to participate in preparing the required joint discovery statement warranted an adverse order or other relief under Eastern District of California Local Rule 251(d).
2. Whether defendants had conducted an adequate search and produced documents responsive to the first set of requests for production.
3. Whether defendants were required to comply with the parties' agreed discovery-search protocol.
4. Whether additional discovery sanctions, including possible civil contempt, were warranted for defendants' failure to comply with discovery obligations and the court's prior order.
5. Whether the plaintiff was entitled at that stage to have two proposed facts deemed established under Federal Rule of Civil Procedure 37(b)(2)(A)(i).

HOLDINGS

1. Defendants were required to conduct a diligent and comprehensive search for documents within their possession, custody, or control and to produce responsive documents, including documents relating to the entity defendants that Peters controlled or operated. Defendants had not shown that they conducted such a search.
2. The parties' agreed discovery-search protocols were binding, and defendants were ordered to comply with them.
3. The United States was entitled in part to an order compelling defendants to produce improperly withheld documents, comply with the prior discovery order, and submit a declaration detailing Peters's discovery participation and search efforts.
4. The court did not immediately deem the two proposed facts established; instead, it ordered supplemental briefing addressing how those facts were tied to defendants' failure to respond to the requests for production.
5. The court reserved the question of further sanctions and scheduled an in-person order-to-show-cause hearing to consider whether Peters should be held in civil contempt.

KEY QUOTATIONS

“Parties may obtain discovery regarding any nonprivileged matter that is relevant to any party’s claim or defense and proportional to the needs of the case[.]” (Legal Standards)

“When parties agree to specific discovery protocols, courts enforce these commitments as binding.”
(Discussion, section III.B.2)

“While a party cannot produce what it does not have, the party must demonstrate that it conducted a diligent search, which defendant Peters has not done here.” (Discussion, section III.B.1)

FACTUAL BACKGROUND

The United States served requests for production on Peters and at least one entity defendant in litigation alleging healthcare-related False Claims Act violations. The parties agreed that defendants would conduct a diligent,

defensible search of materials within their custody and control, including information held by employees, financial institutions, accountants, and attorneys. The court found that defendants improperly limited their search largely to Peters, failed to demonstrate a diligent search, and had not produced documents already ordered or documents that Peters reportedly retained. Peters had also failed to participate adequately in discovery and had not complied with the court's prior discovery order.

PROCEDURAL HISTORY

The United States filed the action on January 22, 2024, and later filed a second amended complaint asserting False Claims Act, conspiracy, unjust-enrichment, and payment-by-mistake claims. After an earlier order required defendant Peters to provide complete responses to requests for production without objection and produce responsive documents, the United States moved again to compel, alleging deficient searches, withholding, and failure to comply with an agreed discovery protocol. The court granted the motion in part, ordered additional production and a sworn declaration, required compliance with the parties' discovery agreement and the prior order, ordered supplemental briefing concerning requested factual findings, and scheduled an order-to-show-cause hearing concerning possible civil contempt.

DISPOSITION

other

CASES CITED

- Hallett v. Morgan, 296 F.3d 732, 751 (9th Cir. 2002)
- Adams v. Yates, 2013 WL 5924983, at *1 (E.D. Cal. Nov. 1, 2013)
- Sali v. Corona Reg'l Med. Ctr., 884 F.3d 1218, 1219 (9th Cir. 2018)
- D.M. V. Cty. of Merced, 2021 WL 3269245, at *6 (E.D. Cal. July 30, 2021)
- Howard v. Hedgpeth, 2010 WL 5422580, at *3 (E.D. Cal. Dec. 21, 2010)
- Greene v. Cal. Dep't of Corr. & Rehab., 2025 WL 790498, at *4 (E.D. Cal. Mar. 12, 2025)
- Connecticut Gen. Life Ins. Co. v. New Images of Beverly Hills, 482 F.3d 1091, 1095-96 (9th Cir. 2007)
- Leon v. IDX Sys. Corp., 464 F.3d 951, 958 (9th Cir. 2006)
- Olivia v. Sullivan, 958 F.2d 272, 273 (9th Cir. 1992)