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ATTORNEY GENERAL

STATE OF NORTH CAROLINA
DEPARTMENT OF JUSTICE

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September 1, 2021

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North Carolina General Assembly
Raleigh, North Carolina 27601-1096

RE: G.S. §114-2.5A; Report on Activities of Medicaid Fraud Control Unit

Dear Members:

G.S. §114-2.5A requires the Attorney General to report by September 1 on the activities of the Medicaid Fraud Control Unit of the Department of Justice, which is the Medicaid Investigations Division, during the previous fiscal year to the Chairs of the Appropriations Subcommittees on Justice and Public Safety and Health and Human Services of the Senate and House of Representatives and the Fiscal Research Division of the Legislative Services Office. Pursuant to that statute, I have enclosed the Medicaid Investigations Division's Activities Report for July 1, 2020, through June 30, 2021.

We will be happy to respond to any questions you may have regarding this report.

Very truly yours,

Seth Dearmin
Chief of Staff

SD:ng

cc: William Childs, NCGA Fiscal Research Division
Mark White, NCGA Fiscal Research Division
Morgan Weiss, NCGA Fiscal Research Division

REPORT TO THE
NORTH CAROLINA GENERAL ASSEMBLY

BY THE
MEDICAID INVESTIGATIONS DIVISION
OF THE
NORTH CAROLINA DEPARTMENT OF JUSTICE

State Fiscal Year July 1, 2020, through June 30, 2021

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I. INTRODUCTION

Pursuant to N.C.G.S. § 114-2.5A "each year the Medicaid Fraud Control Unit of the Department of Justice," which is the Medicaid Investigations Division (MID), "shall file a written report about its annual activities" with the General Assembly. This report covers the activities of the MID for the State Fiscal Year 2020-2021 (FY 20/21), covering the period of July 1, 2020, through June 30, 2021.

G.S. § 114-2.5A requires the report on the MID's activities during the previous state fiscal year to include specific information as follows:

(1) The number of matters reported to the MID.
(2) The number of cases investigated.
(3) The number of criminal convictions and civil settlements.
(4) The total amount of funds recovered in each case.
(5) The allocation of recovered funds in each case to (i) the federal government; (ii) the State Medical Assistance Program; (iii) the Civil Penalty and Forfeiture Fund; (iv) the N.C. Department of Justice; and (v) other victims.

Because the MID receives 75% of its funds from a Federal source, the MID is required by its Federal funding source to maintain statistics and report its activities based on the Federal fiscal year, which is October 1 through September 30. The General Assembly requires that this report present statistics based on the state fiscal year of July 1 through June 30. Pursuant to G.S. § 1-617, the General Assembly also requires a report on *qui tam* cases for the calendar year of January 1 through December 31. While these three reports overlap, the statistics presented in these three reports will vary because they each cover different time periods.

II. OVERVIEW

The MID has worked hard to combat Medicaid provider fraud, the physical abuse of patients in Medicaid funded facilities, the misappropriation of patient funds, and fraud in the administration of the Medicaid program during its 42-year history. In that time over 655 providers have been convicted of crimes relating to Medicaid provider fraud, the physical abuse of patients in Medicaid funded facilities, the misappropriation of patient personal funds, and fraud in the administration of the Medicaid program, and the MID has recovered over $965 million in fines, restitution, interest, penalties, and costs.

The MID continues to maintain strong relationships with the North Carolina Department of Health and Human Services (NC DHHS), the state agency that administers the North Carolina Medicaid Program, and with other law enforcement and prosecutorial agencies. Throughout FY 20/21, the MID continued joint investigations of fraud and patient abuse cases with a number of law enforcement and investigatory agencies, including the United States Department of Health and Human Services Office of Inspector General (HHS-OIG), Office of Investigations District Office in Greensboro, N.C.; the Federal Bureau of Investigation (FBI); the Internal Revenue Service; the

United States Department of Justice; N.C. State Bureau of Investigation; and local law enforcement agencies, along with integrity Special Investigations Units (SIUs) within private insurance companies and managed care companies. These relationships serve as a valuable resource for future case referrals.

Medicaid Fraud Control Units from other states seek advice and guidance in the areas of administration, investigation, and prosecution from the MID. The MID strives to maintain and build on this reputation and to assist other units directly and through participation with the National Association of Medicaid Fraud Control Units (NAMFCU). During FY 20/21, MID Director Eddie Kirby served as a member of the NAMFCU Executive Committee and the Global Case Committee. MID Civil Chief Steve McCallister served on the Global Case Committee, Qui Tam Subcommittee, and several NAMFCU working groups. Special Deputy Attorney General Lareena Phillips served on both the Global Case Committee and the NAMFCU Training Committee. The MID continues to be actively involved in national global cases being coordinated through NAMFCU with the United States Department of Justice and other federal and state agencies. Civil Chief Steve McCallister and Special Deputy Attorneys General Michael Berger, Lareena Phillips, Matt Petracca, and Financial Investigator Jennifer Brock served on NAMFCU global teams appointed by NAMFCU's Global Case Committee.

The United States Attorney's Offices for the Eastern, Middle, and Western Districts have appointed a number of MID attorneys as Special Assistant United States Attorneys (SAUSA) to pursue criminal and civil Medicaid fraud matters. MID attorneys receive many benefits from this appointment. MID attorneys are collaborating with attorneys in the United States Attorney's Offices for the Western, Middle and Eastern Districts of North Carolina on substantial criminal and civil fraud cases against a variety of Medicaid providers.

The MID has a strong relationship with the North Carolina Division of Health Benefits, and particularly with its Office of Compliance and Program Integrity (OCPI). The MID also has a strong relationship with the North Carolina Division of Health Service Regulation (NC DHSR), the primary agency designated to receive patient physical abuse complaints from or involving long-term care providers in North Carolina.

During FY 20-21 the MID continued to provide an extensive training program for its staff through NAMFCU courses. Classes range from multi-level fraud investigation techniques to technical skills training.

The North Carolina General Assembly enacted the North Carolina False Claims Act, G.S. §§ 1-605 through 1-618, effective January 1, 2010. This act established a state *qui tam* law that has improved the MID's ability to prosecute and investigate Medicaid provider fraud and abuse. Since the North Carolina False Claims Act became effective, the MID has received information from and filings by whistleblowers alleging approximately 822 cases of Medicaid fraud and abuse.

In summary, the MID's activities over the past year in both the criminal and non-criminal areas have proven productive. Our successful investigation and prosecution of a variety of

Medicaid providers during FY 20/21 enhanced our reputation as an effective and professional Medicaid Fraud Control Unit that vigorously, but fairly, pursues and prosecutes fraud and abuse.

III. INFORMATION REQUIRED ON MID ACTIVITIES

1. The number of matters referred to the MID.

There were 274 referrals made to the MID during the State FY 20/21; a slight decrease from FY 19/20. The referrals came from varied sources. Referral sources include private citizens, *qui tam* relators, the Office of Compliance and Program Integrity (OCPI) of the Division of Health Benefits, Managed Care Organizations (MCO) in connection with behavioral health services, the Division of Health Service Regulation, local departments of Social Services, former employees, State Survey and Certification agencies, Licensing Boards, the National Association of Medicaid Fraud Control Units, United States Attorney's Offices, and other law enforcement agencies such as Office of Inspector General. The distribution of MID's referrals in State FY 20/21 were as follows: Adult Protective Services (1), Anonymous (15), HHS-OIG (1), Long term Care Ombudsman (1), Medicaid Agency Other (9), Medicaid Agency SURS or Program Integrity Unit (43), Other (6), Other Law Enforcement (7), Private Citizens (140), Provider (1), State Agency Other (11), and State Survey and Certification (39).

Of those 274 new referrals, the MID opened new case files on 96 matters. The remaining 178 were referred to another agency for review, rolled into existing MID investigations, or declined for various reasons. In many instances, it is appropriate to refer a matter to the North Carolina Division of Health Benefits for further review or administrative action. DHB can compare the allegation to its history of the provider and conduct billing analysis and reviews to determine whether further investigation is appropriate. DHB may then refer the matter back to the MID with the additional data and analysis. In that case, the MID can reconsider whether to open an investigation. Alternatively, DHB may decide to apply one of the administrative remedies or sanctions it has at its disposal. It is also possible that the matter could be referred to another appropriate investigatory agency for action.

A number of referrals were declined on the grounds that the referrals did not sufficiently allege Medicaid provider fraud, were not substantiated by a preliminary review, or the potential for successful criminal prosecution was low. Some of the allegations pertained to Medicaid recipient fraud, but the MID's federal grant does not allow the MID to use funding to investigate Medicaid recipient fraud. Therefore, the MID refers recipient fraud allegations to the Division of Health Benefits and the county Departments of Social Services. Please note that allegations of Medicaid recipient fraud should be referred to the Recipient Services Section of the Division of Health Benefits, 919-527-7749, or the Fraud Section of the local county Department of Social Services.

Medicaid fraud investigations are complex and labor intensive. The consequences of a fraud conviction on a provider can be severe. Therefore, the MID takes great care to ensure that allegations are substantiated before proceeding with criminal charges or civil actions.

2. The number of cases investigated.

During FY 20/21 the MID staff investigated 484 cases. Due to the length of time required to properly investigate a case, a number of these cases were referred and/or opened prior to FY 20/21. The subjects of investigations included ambulance transportation providers, assisted living facilities, clinical labs, dentists, durable medical equipment providers, home care providers, laboratories, home health agencies, hospitals, medical doctors, mental health providers, pain management centers, pharmaceutical manufacturers, pharmacies, psychiatrists and substance abuse treatment centers. The MID also investigated caregivers accused of patient physical abuse at Medicaid funded facilities, and the misappropriation of patient personal funds.

3. The number of Criminal Convictions and Civil Settlements.

a. Criminal Convictions

During FY 20/21, the MID successfully convicted 14 providers. These criminal convictions resulted in more than 610 months of incarceration and in the recovery of $41,314,778.15 in restitution, fines, and fees. Details of these convictions are set forth in Section IV of this report.

One case that highlights several strengths of the MID was US v Christian Anthony Ekberg. It reflects the MID's continuing productive relationship with its federal partners. Many of the MID attorneys are cross designated as Special Assistant United States Attorneys. MID's attorneys and other staff members work with all three United States Attorneys' Offices in North Carolina. This case was prosecuted in federal court in the Eastern District of North Carolina.

Ekberg was an officer and minority shareholder of an out-of-state company that entered into an agreement to provide professional management services to a North Carolina dentist. Ekberg secured contracts involving eleven skilled nursing facilities located throughout North Carolina. The facilities were in Alamance, Cleveland, Cumberland, Currituck, Gaston, Harnett, Polk, and Wake counties. Through data analysis, the MID was able to identify suspicious billing patterns by the company and through additional investigation determine that the billing was fraudulent.

The investigation showed that from September 2, 2015, through April 21, 2017, Ekberg and others knowingly submitted fraudulent dental claims to Medicaid. Claims were submitted for over 2100 patient encounters involving over 600 different patients, but medical records showed that there had only been approximately 496 patient encounters. The claims falsely represented that 771 prophylaxes and 611 debridements were performed for patients, but the records showed that only approximately 107 prophylaxes and 24 debridements had actually been

performed. A prophylaxis is commonly referred to as "your regular dental cleaning," while a full mouth debridement is a more intensive cleaning. There were fraudulent claims for other services including evaluations and after-hours visits. In total, the health care fraud resulted in Medicaid paying approximately $173,870.12 for services that had not been rendered to an account that Ekberg had access to. Ekberg signed all the checks from this account, and the checks written to himself to cash and to the out-of-state company totaled approximately $177,034.

Ekberg was convicted via plea and sentenced to 18 months in prison followed by three years of supervised release for health care fraud by Chief United States District Judge Richard E. Myers II. Ekberg was also ordered to pay $173,870.12 in restitution to the North Carolina Medicaid program.

b. Civil Settlements

During FY 20/21, the MID successfully obtained 30 civil settlements and recovered $19,348,348.35 in damages, interest, civil penalties, and costs.

Of significance was a civil settlement entered into between the Federal Government, the named Plaintiff States (including North Carolina), and the pharmaceutical company, Indivior. Indivior, Inc. (formerly known as Reckitt Benckiser Pharmaceuticals, Inc.) is a Delaware corporation headquartered in Richmond, Virginia, and is a wholly owned subsidiary of Indivior plc. The State of North Carolina was named as a plaintiff in five (5) whistleblower actions.

The Civil Actions collectively alleged that from January 1, 2010, through December 31, 2015, Indivior knowingly promoted the sale and use of Suboxone to physicians who were writing prescriptions that were not for a medically acceptable indication. Suboxone contains a combination of buprenorphine (an opioid) and naloxone (an opioid antagonist) and was approved to suppress opioid withdrawal symptoms as part of a complete treatment plan to include counseling and psychosocial support. It was also alleged that Indivior promoted the sale and use of Suboxone Film using false and misleading claims that Suboxone Film was less subject to diversion and abuse than other buprenorphine products and that Suboxone Film was less susceptible to accidental pediatric exposure than Suboxone Tablets. The national investigation confirmed that Reckitt Benckiser developed Suboxone film around 2007 as a patent-protected alternative to the tablet form of Suboxone, which was then about to face generic drug competition. Reckitt Benckiser promoted Suboxone film as a safer, less divertible form than its tablet form, even though the company lacked any scientific evidence to support those claims.

Under the terms of Settlement Agreement, Indivior agreed to pay to the United States of America and the States, a total of $300,000,000. As a result of these settlements, North Carolina recovered $7,186,178.50. This Settlement was obtained with the assistance of the United States Department of Justice, the National Association of Medicaid Fraud Control Units, including support from the Medicaid Investigations Division. Details of this case are set forth in Section V of this report.

4. The total amount of funds recovered in each case; Allocations.

Together, these 14 criminal convictions and 30 civil recoveries represent a total of $60,663,126.50 recovered for the State of North Carolina. Consistent with federal reporting instructions, recoveries are amounts individual and organizational defendants are ordered to pay in criminal cases and must pay in civil judgments and settlements and may not reflect actual collections. A case by case breakdown of the amounts recovered in each case and allocation of recovered funds is shown below in Table A.

Table A Funds Recovered 07/01/2019 - 06/30/2020						
Name	**Federal Government**	**NC Medicaid**	**Civil Penalty & Forfeiture Fund**	**NC DOJ Costs**	**Other**	**Total**
US v. Latisha Harron	8,910,292.58	4,486,629.06			300.00	13,397,221.64
US v. A Perfect Fit for You, Inc.	6,653,028.43	3,416,332.92			2,000,400.00	12,069,761.35
US v. Tony Taylor	4,080,236.74	2,041,419.22			1,124,803.89	7,246,459.85 *
US v. Markuetric Stringfellow	2,758,857.80	1,360,531.20			1,159,361.00	5,278,750.00 *
US v. Christine Knight	1,306,754.14	647,124.66			100.00	1,953,978.80 *
US v. Reginald Van Reese, Jr.	361,810.57	186,553.43			200.00	548,564.00 *
US v. Jerry Taylor					346,111.00	346,111.00 *
US v. Pamela Faulkner	140,432.74	73,494.81			100.00	214,027.55 *
US v. Christian Ekberg	115,328.05	58,542.07			100.00	173,970.12
NC v. Patricia Mosden	37,271.41	18,432.38			382.50	56,086.29
NC v. Sheila Leggette	17,833.92	9,199.46			228.00	27,261.38
NC v. Lakeisha Jones					2,236.17	2,236.17
NC v. Davonte Actkinson					250.00	250.00
US v. Ameera Ali					100.00	100.00 *
Total Criminal Recoveries	$24,381,846.38	$12,298,259.21	$ -	$ -	$4,634,672.56	$41,314,778.15
Indivior	4,027,019.39	1,011,789.68	1,265,702.97	238,185.74	643,480.72	7,186,178.50
Ibrahim Oudeh, MD	2,951,836.80	254,680.01	67,451.53	26,031.66		3,300,000.00
Universal Health Services, Inc.	1,796,180.39	539,993.95	457,003.25	97,605.90	242,830.81	3,133,614.30
Shire Regenerative Medicine, Inc.	826,982.44	113,240.50	150,949.38	26,896.36	74,116.80	1,192,185.48
Preferred Pain Management	696,147.73	34,017.51	28,764.52	6,145.43	24,217.76	789,292.95
Royal Pharmaceuticals, LLC	383,473.95	281,704.63		18,716.22	325.09	684,219.89
Michael Smith (Carolina Comprehensive Health Network)	356,587.19	61,500.91	36,288.15	8,987.65	36,636.10	500,000.00
Merit Medical Systems, Inc.	235,732.40	89,008.14	83,626.08	17,209.32	40,608.50	466,184.44
Obinna Oriaku/Crown Clinic, P.A.	201,192.74	67,867.24	63,838.94	13,132.01	8,493.75	354,524.68
Novo Nordisk, Inc.	204,978.82	32,207.31	44,071.97	2,679.62	18,268.58	302,206.30
Harrison Frank (Carolina Comprehensive Health Network)	214,704.39	37,250.83	21,028.98	5,315.37	21,700.43	300,000.00
Pacira Pharmaceuticals	99,616.06	30,391.96	28,554.24	5,876.15	15,353.90	179,792.31
Michael Smith, MD	113,922.04	13,881.14	20,827.80	1,369.02		150,000.00
Tuong Nguyen/Central Carolina Medical Clinic	76,680.00	54,686.66		3,633.34		135,000.00
Jancy Utoh, MD/QC Kidz Pediatrics	65,320.00	23,292.47	21,884.04	4,503.49		115,000.00
Codey Brown (Carolina Comprehensive Health Network)	71,568.13	12,416.94	7,009.66	1,771.79	7,233.48	100,000.00
Kingsley Ugochukwu/Angier Pediatrics and Adult Medical Center	34,188.00	12,101.96	11,370.19	2,339.85		60,000.00
Medicrea USA, Inc.	31,190.72	8,537.18	9,044.91	1,788.93	5,534.99	56,096.73
Progenity, Inc.	28,282.20	10,319.41	9,695.42	1,995.21	141.86	50,434.10
Andrew Ighade/MidCarolina Pediatrics	28,400.00	10,127.16	9,514.80	1,958.04		50,000.00
ProHealth Dental	28,165.00	10,237.34	9,618.32	1,979.34		50,000.00
Pamela Johnson-Darr, DDS	27,149.33	9,453.70	9,870.08	839.82	485.19	47,798.12
Apria Healthcare Group, Inc.	25,317.39	7,318.90	6,876.34	1,415.07	3,822.73	44,750.43
The Gores Group	23,560.92	6,664.69	6,261.70	1,288.59	4,488.94	42,264.84
Seton Pharmaceuticals, LLC	20,920.80	15,365.81		1,020.89	17.74	37,325.24
Trucare Rx, LLC	6,459.48	1,509.50	2,836.45	483.42		11,288.85
Astrazeneca	3,375.58	1,723.61		114.52	714.83	5,928.54
Medical Device Business Services, Inc.	1,273.42	325.91	306.19	63.01	219.51	2,188.04
Patient Home Monitoring, Inc.	1,182.72	617.89		41.05	232.95	2,074.61
Serenity Rehabilitation Services, LLC/Shawana Torrence						0.00
Total Civil Recoveries	$12,581,408.03	$ 2,752,232.94	$ 2,372,395.91	$ 493,386.81	$1,148,924.66	$19,348,348.35
Total Recoveries	$36,963,254.41	$15,050,492.15	$ 2,372,395.91	$ 493,386.81	$5,783,597.22	$60,663,126.50

* Criminal cases idenified as joint and several during this reporting period.

IV. CRIMINAL CONVICTIONS

The MID reports all criminal convictions to the United States Department of Health and Human Services Exclusion Program which, in turn, will take administrative action to exclude these providers from future participation as providers in Medicaid and any other federally funded health care program for a period of years.

US v. Latisha Harron (2:20-CR-00005)

Latisha Harron created and operated Agape Healthcare Services, Inc., an alleged Medicaid home health provider in Roanoke Rapids. This matter was referred to MID from the IRS Financial Crimes Task Force.

Harron concealed her prior felony conviction for identity theft when enrolling Agape as a Medicaid provider, and later continued to bill North Carolina Medicaid for services to North Carolinians after moving to Maryland. Harron and her husband Timothy Harron searched recently deceased North Carolinians who were enrolled in Medicaid and use that information to fraudulently back-bill Medicaid for up to one year of home health services.

On May 18, 2021, Harron pled guilty to one count of Conspiracy to Commit Health Care Fraud and Wire Fraud, one count of Aggravated Identity Theft and one count of Conspiracy to Commit Money Laundering. Harron was sentenced to 170 months in federal prison followed by three years of supervised release. The court ordered that Harron pay $13,396,921.64 in restitution to the Medicaid program as well as $300 in special assessments. Harron must also forfeit items including a private jet, a sports car, a pickup truck, real estate property, and designer jewelry and luxury items.

US v. A Perfect Fit for You, Inc. (4:19-CR-81)

A Perfect Fit for You, Inc, was a durable medical equipment provider that sold items including powered wheelchairs, orthotic braces, diabetic shoes, powered air flotation beds, osteogenesis stimulators, pneumatic compressors, etc. This matter was referred to MID by the attorney for the company's court appointed receiver.

The investigation revealed that from March 2015, through November 2016, one or more employees of A Perfect Fit for You submitted fraudulent claims to Medicaid for providing durable medical equipment to Medicaid recipients. These fraudulent claims contained personal identifying information of Medicaid recipients who had never ordered nor received any durable medical equipment from a Perfect Fit for You. In fact, some of the patients had been deceased years before the false claims were even submitted.

On December 6, 2019, the A Perfect Fit for You pled guilty to one count Health Care Fraud. On March 2, 2021, the United States District Court for the Eastern District of North Carolina sentenced A Perfect Fit for You to 5 years probation and was ordered to pay $10,069,361.35 in restitution to the Medicaid program and a $2,000,000.00 fine.

US v. Tony Taylor (19-CR-327)

Tony Garrett Taylor, and his brother Jerry Lewis Taylor, owned and operated a variety of companies which provided behavioral health services to at-risk youth throughout North Carolina. The Taylor Brothers owned and operated: Taylor Behavioral Health Center, LLC; Options Driven, LLC; Design for Change, LLC; and SHG Consultants. Their businesses were located in Charlotte, Raleigh, Monroe, and Gastonia, North Carolina. This matter was referred to MID by AUSA Kelli Ferry.

The investigation revealed that from June 2015, through December 2017, Tony Taylor submitted fraudulent claims for services never provided using identifying information of eligible Medicaid beneficiaries provided by co-conspirator Ameera Ali. In addition, if the services were performed, they were upcoded to reflect a higher level of service and receive a higher reimbursement than they were entitled to. The Taylor Brothers recruited LPN Devon Rambert-Hairston and Christine Yvette Knight to create fraudulent treatment notes.

On October 21, 2019, Tony Taylor pled guilty to one count of Conspiracy to Commit Health Care Fraud and one count of Tax Evasion in the Western District of North Carolina. On July 21, 2020, Tony Taylor was sentenced to 96 months of incarceration for Count 1 and sixty months of incarceration on Count 2 (to be served concurrent), followed by two years post-release control on each count (to be served concurrent). Taylor was ordered to pay a $200.00 special assessment as well as $6,121,655.96 to the Medicaid program and $1,124,603.89 to the U.S. Internal Revenue Service. The court also ordered that Taylor be held jointly and severally liable with the other defendants in the case.

US v. Markuetric Stringfellow (3:20-CR-00235)

Markuetric Stringfellow was a partner at Everlasting Vitality, LLC and Do-It-4-The Hood Corporation, which operated after-school programs in Charlotte, Greensboro, Winston-Salem and Rocky Mount. This case was referred to MID by Sandhills MCO through the Division of Health Benefits.

The investigation revealed that from January 2016, through November 2017, Stringfellow and his co-conspirators solicited illegal kickbacks from drug testing laboratories in exchange for referring North Carolina Medicaid beneficiaries obtained through the after-school program. Children enrolled in the after-school program were required to submit urine specimens for drug

testing, which were then submitted to the labs in exchange for kickbacks from the reimbursements paid by Medicaid.

On August 21, 2020, Stringfellow pled guilty in the Western District of North Carolina to Conspiracy to one count of Conspiracy to Commit Health Care Fraud, and one count of Conspiracy to Defraud the United States Government. Stringfellow was sentenced to 78 months imprisonment and 3 years of supervised release. The court ordered Stringfellow to pay restitution in the amounts of $4,119,389 to the North Carolina Medicaid program, $741,961.00 to the South Carolina Medicaid program, $417,200.00 to the Georgia Medicaid program and a $200 special assessment.

US v. Christine Knight (3:20-CR-154)

Christine Knight was an employee of Upper Level Care & Personal Care, LLC, a Medicaid Provider of Personal Care Services located in Winston-Salem. The case was referred to MID by the Division of Health Benefits, Office of Compliance and Program Integrity.

The investigation revealed that Knight participated in an ongoing scheme to defraud the Medicaid program by assisting in the creation of billing spreadsheets and entering false information on them that she remitted to Jerry and Tony Taylor for fraudulent billing purposes. This conduct was alleged to have occurred on May 24, 2017.

One June 1, 2020, Knight pled guilty before Magistrate Judge David Coyer in Charlotte, NC to one count Aiding and Abetting False Statements Relating to Health Care Matters. Knight was sentenced to 24 months imprisonment and one year supervised release. She was ordered to pay $100 special assessment and $1,953,787.80 in restitution, jointly and severally liable with Devon Rambert-Hairston, Ameera Ali and Jerry and Tony Taylor.

US v. Reginald Van Reese, Jr. (5:18-CR-78)

During the investigation of other MID criminal cases it was determined that Reggie Reese was selling Medicaid recipient numbers to Medicaid providers.

The investigation revealed that from May 2014, through June 2016, Reese conspired to defraud the Medicaid program by unlawfully exchanging stolen Medicaid beneficiary information and using such information to prepare and file false and fraudulent claims for reimbursement of services that were not rendered by the billing providers.

On May 16, 2018, Reese pled guilty to one count of Conspiracy to Commit Health Care Fraud and one count of Aggravated Identity Theft. On December 11, 2018, Reese was sentenced to 36 months in prison followed by 3 years supervised release. Reese was also ordered to pay a

$200.00 special assessment and restitution in the amount of $548,364.00 to be joint and several with the other defendants.

US v. Jerry Taylor (3:19-CR-00161)

Jerry Lewis Taylor, and his brother Tony Garrett Taylor, owned and operated a variety of companies which provided behavioral health services to at-risk youth throughout North Carolina. The Taylor Brothers owned and operated: Taylor Behavioral Health Center, LLC; Options Driven, LLC; Design for Change, LLC; and SHG Consultants. Their businesses were located in Charlotte, Raleigh, Monroe, and Gastonia, North Carolina. This matter was referred to MID by the Division of Health Benefits.

The investigation revealed that from June 2015, through December 2017, Jerry Taylor, along with his brother Tony Taylor, submitted fraudulent claims for services to the Medicaid program for services never provided.

On June 19, 2019, Jerry Taylor pled guilty in the Western District of North Carolina to one count of Conspiracy to Commit Health Care Fraud and one count of Tax Evasion. Taylor was sentenced to sixty months incarceration for each count, to be served concurrently. Upon release Taylor will be subject to two years post-release control on each count, to be served concurrently. Taylor was ordered to pay restitution in the amount of $6,121,655.96 to Medicaid, and $346,111.00 to the U.S. Internal Revenue Service. The court also ordered that Taylor be held jointly and severally liable with the other defendants in the case.

US v. Pamela Faulkner (4:19-CR-00059)

Pamela Faulkner was a registered nurse and sole officer of Skeen Services, Inc., which had offices in Greensboro, Greenville, Lumberton, and Wilson. This matter originated from evidence discovered during the course of the investigation of Renee Borunda.

The investigation revealed that in 2013 and 2014 Renee Borunda submitted more than 4,500 fraudulent claims to Medicaid with Faulkner's awareness. The claims falsely represented that more than 190 North Carolinians had received behavioral health services that in fact had not been provided. Faulkner and Borunda agreed to split the money from the reimbursements for these fraudulent claims.

On March 30, 2021, Faulkner pled guilty to 1 count of Conspiracy to Commit Health Care Fraud in the Eastern District of North Carolina. Faulkner was sentenced to 37 months in federal prison followed by three years of supervised release and ordered to pay $213,927.55 in restitution to the Medicaid program.

US v. Christian Ekberg (5:20-CR-434)

Christian Ekberg was an officer and minority shareholder of an out-of-state company, ProHealth Dental, Inc. This case was originated from a provider peer analysis by MID Civil Attorney Michael Berger. MID coordinated with the Division of Health Benefits ("DHB"), and DHB then made the referral.

The investigation revealed that from September 2017, through April 2017, Ekberg and others knowingly submitted fraudulent claims to Medicaid for services not rendered.

On November 5, 2020, Ekberg pled guilty in the Eastern District of North Carolina for 1 count of Health Care Fraud. Ekberg was sentenced to 18 months in prison followed by three years of supervised release. The court ordered Ekberg to pay $173,870.12 in restitution to the Medicaid program.

NC v. Patricia Mosden (20-CRS-50828)

Patricia Mosden owned Kiawah Counseling, which provided child residential treatment and outpatient services in Rocky Mount, North Carolina. This matter was referred to MID from the Division of Health Benefits.

The investigation revealed that from December 2015, to January 2017, Mosden submitted claims for services provided for about twenty Medicaid recipients, but she never provided any services to the recipients during this time period.

On September 8, 2020, Mosden pled guilty to one count of Obtaining Property by False Pretenses and one count of Medical Assistance Provider Fraud in Robeson County Superior Court. The offenses were consolidated into one judgement and Mosden was sentenced to 6-17 months, suspended for 24 months of supervised probation. Jones was ordered to pay $55,703.89 in restitution, along with court costs, and probation supervision fees.

NC v. Sheila Leggette (21-CRS-443)

Shelia Leggette was the owner and operator of Nu Look on Life, LLC located in Greenville, NC. This matter was referred to MID from the Division of Health Benefits and Trillium.

The investigation revealed that from January to 2014, to September 2016, Leggette submitted fraudulent billing claims for outpatient behavioral health services to Trillium Health Resources. She indicated that she provided services to six individual Medicaid beneficiaries when these services were never provided.

Leggette pled guilty in Pitt County Superior Court to six counts of Obtaining Property by False Pretenses. On June 7, 2021, Leggette was sentenced to 8-19 months in prison followed by 36 months of supervised probation and ordered to pay a restitution amount of $27,033.28 to the Medicaid Program.

NC v. Lakeisha Jones (20-CRS-50225)

Lakeisha Jones was a Nurse Aide at Xeon Home Health Care Services located in Wayne county. This matter was referred to MID by the Department of Health and Human Services, Division of Health Service Regulation, Health Care Personnel Registry Section.

The investigation revealed that from July 2018, to October 2018, Jones submitted false time sheets to her employer, Xeon, indicating that she had provided 240 hours of personal care services to a Medicaid recipient in Wayne County, but she actually never provided any services to the recipient during this time period.

On August 5, 2020, Jones pled guilty to one count of Medical Assistance Provider Fraud and one count of Obtaining Property by False Pretenses in Wayne County Superior Court. Jones was sentenced to 8-19 months imprisonment, suspended for 36 months of supervised probation. The court ordered Jones to pay $1,373.67 in restitution, along with court costs, attorney fees, and probation supervision fees.

NC v. Davonte Actkinson (20-CR-050566)

Davonte Actkinson was a certified nursing assistant at Cherry Hill Hospital in Goldsboro, North Carolina. The case was referred to MID from the Cherry Hospital Police Department.

The investigation revealed that on August 9, 2019, a patient at Cherry Hospital hit Actkinson and Actkinson retaliated by striking the patient back, who was a disabled individual.

On May 14, 2021, there was a bench trial in front of the Honorable Erika James at the Wayne County courthouse. The judge found the defendant guilty of Assault on an Individual with a Disability. Actkinson was sentenced to 60 days suspended sentenced, 12 months unsupervised probation, and to complete 48 hours of community service. The court also ordered that Actkinson pay the $250.00 community service fee.

US v. Ameera Ali (3:19-CR-00080)

Ameera Ali was a medical biller who owned and operated Accuracy Billing Agency. This company provided third-party billing services to mental health companies throughout North Carolina. This matter was referred to MID from the Division of Health Benefits.

The investigation revealed that Ameera Ali participated in an ongoing scheme to defraud the Medicaid program by providing spreadsheets containing identifying information for eligible Medicaid beneficiaries to Tony and Jerry Taylor. The Taylor brothers used the information in these spreadsheets to submit false claims to Medicaid for services not rendered.

On April 22, 2019, Ali pleaded guilty to one count of Health Care Fraud Conspiracy. On October 20, 2020, Ali was sentenced in the Western District of North Carolina to 84 months of imprisonment followed by one year of supervised release. Ali was ordered to pay $100 special assessment as well as restitution owed to the Medicaid program in the amount of $6,121,655.96. The court also ordered that Ali be held jointly and severally liable with the other defendants in the case. The court also ordered that Ali participate in a mental health program and that she not participate in any activity related to medical billing.

V. CIVIL RECOVERIES

INDIVIOR

Indivior, Inc. (formerly known as Reckitt Benckiser Pharmaceuticals, Inc.) is a Delaware corporation headquartered in Richmond, Virginia, and is a wholly owned subsidiary of Indivior plc. At all relevant times, Indivior distributed, marketed, and sold pharmaceutical products in the United States, including North Carolina. This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from January 1, 2010, through December 31, 2015, Indivior knowingly promoted the sale and use of Suboxone to physicians who were writing prescriptions that were not for a medically acceptable indication. It was also alleged that Indivior promoted the sale and use of Suboxone Film using false and misleading claims that Suboxone Film was less subject to diversion and abuse than other buprenorphine products and that Suboxone Film was less susceptible to accidental pediatric exposure than Suboxone Tablets.

On April 21, 2021, in conjunction with a national settlement, a settlement agreement was executed between Indivior and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $7,186,178.50. Of that amount, the federal government received $4,027,019.39 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $3,159,159.11. Of this amount, $1,179,341.59 was paid to the North Carolina Medicaid Program as restitution and interest, $1,265,702.97 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, $475,928.81 was paid to the *qui tam* plaintiff, and $235,185.74 was paid to the North Carolina Department of Justice for costs of collection and investigation.

IBRAHIM OUDEH, MD

Ibrahim Oudeh, MD is a Medicaid provider who medical services in and around Dunn, North Carolina. This matter was referred to the MID by a private citizen.

It was alleged that from January 1, 2011, through December 31, 2017, Ibrahim Oudeh and his medical practice billed for medically unnecessary and improper nerve conduction studies, radiological tests and echocardiograms. It was also alleged that Oudeh overbilled for evaluation and management services that did not reflect the services documented and rendered.

On April 20, 2020, a settlement agreement was executed between Ibrahim Oudeh and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $3,300,000.00. Of that amount, the federal government received $2,951,836.80 to satisfy North Carolina's obligation to return the federal portion of Medicare and Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $348,163.20. Of this amount, $254,680.01 was paid to the North Carolina Medicaid Program as restitution, $67,451.53 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, and $26,031.66 was paid to the North Carolina Department of Justice for costs of collection and investigation.

UNIVERSAL HEALTH SERVICES, INC.

Universal Health Services, Inc. is a for-profit holding company which directly or indirectly owns the assets or stock of inpatient and residential psychiatric and behavioral health facilities that provide services to individuals. This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from January 1, 2007, through December 31, 2018, Universal Health Services submitted false claims to the Medicaid Program resulting from Universal Health Services' (i) admission of beneficiaries who were not eligible for inpatient or residential treatment, (ii) failure to properly discharge beneficiaries when they no longer needed inpatient or residential treatment, (iii) improper and excessive lengths of stay, (iv) failure to provide adequate staffing, training, and/or supervision of staff, (v) billing for services not rendered, (vi) improper use of physical and chemical restraints and seclusion; and (vii) failure to provide inpatient acute or residential care in accordance with federal and state regulations, including, but not limited to, failure to develop and/or update individualized assessments and treatment plans, failure to provide adequate discharge planning, and failure to provide required individual and group therapy.

On July 7, 2020, in conjunction with a national settlement, a settlement agreement was executed between Universal Health Services and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina

recovered $3,133,614.30. Of that amount, the federal government received $1,796,180.39 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $1,337,433.91. Of this amount, $541,620.11 was paid to the North Carolina Medicaid Program as restitution and interest, $457,003.25 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, $240,445.39 was paid to the *qui tam* plaintiff, $97,605.90 was paid to the North Carolina Department of Justice for costs of collection and investigation, and $759.26 was paid to the National Association of Medicaid Fraud Control Units for expenses.

SHIRE REGENERATIVE MEDICINE, INC.

Shire Regenerative Medicine is a Delaware company with its principal place of business in Massachusetts. At all relevant times, Shire distributed, marketed, and sold pharmaceutical products in the United States, including North Carolina. This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from January 1, 2007, through January 16, 2014, Shire paid kickbacks and off-label marketed its drug Dermagraft.

On February 28, 2017, in conjunction with a national settlement, a settlement agreement was executed between Indivior and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $1,192,185.48. Of that amount, the federal government received $826,982.44 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $365,203.04. Of this amount, $114,708.03 was paid to the North Carolina Medicaid Program as restitution and interest, $150,949.38 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, $72,649.27 was paid to the *qui tam* plaintiff, and $26,896.36 was paid to the North Carolina Department of Justice for costs of collection and investigation.

PREFERRED PAIN MANAGEMENT

Preferred Pain Management is a pain management medical practice with its principal place of business in Winston-Salem, North Carolina This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from June 1, 2014, through May 24, 2017, Preferred Pain Management billed for urine drug tests that were not medically necessary.

On March 30, 2021, a settlement agreement was executed between Preferred Pain Management and the State of North Carolina in settlement of these allegations. Under the terms

of North Carolina's settlement, the State of North Carolina recovered $789,292.95. Of that amount, the federal government received $696,147.73 to satisfy North Carolina's obligation to return the federal portion of Medicare and Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $93,145.22. Of this amount, $34,017.51 was paid to the North Carolina Medicaid Program as restitution, $28,764.52 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, $24,217.76 was paid to the *qui tam* plaintiff, and $6,145.43 was paid to the North Carolina Department of Justice for costs of collection and investigation.

ROYAL PHARMACEUTICALS, LLC

Royal Pharmaceuticals, LLC is a New Jersey Limited Liability Company with its principal place of business in Manasquan, New Jersey. At all relevant times, Royal distributed, marketed, and sold pharmaceutical products in the United States, including North Carolina. This matter was referred to the MID by a private citizen.

It was alleged that from September 1, 2013, through January 31, 2017, Royal Pharmaceuticals failed to correctly report the proper "Market Date" for the Medicaid Drug Rebate Program. As a result, an incorrect "Market Date" data element was used by the Centers for Medicare and Medicaid Services in the "Baseline AMP" calculus within the Drug Data Reporting system that is used to calculate rebates to be paid to the State under the Medicaid Drug Rebate Program.

On December 11, 2020, a settlement agreement was executed between Royal Pharmaceuticals and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $684,219.89. Of that amount, the federal government received $383,473.95 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $300,745.94. Of this amount, $282,029.72 was paid to the North Carolina Medicaid Program as restitution and interest and $18,716.22 was paid to the North Carolina Department of Justice for costs of investigation.

MICHAEL SMITH (CAROLINA COMPREHENSIVE HEALTH NETWORK)

Michael Smith was the manager of an entity that managed the business operations of a group of healthcare practices referred to as Carolina Comprehensive Health Network, PA that had offices in multiple locations in the Western District of North Carolina, as well as other locations in North Carolina. This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from May 1, 2015, through November 30, 2015, Michael Smith submitted claims to the Medicaid program for unnecessary diagnostic procedures including: 1)

positional nystagmus testing; 2) rotational axis testing; 3) nerve conduction testing; and 4) autonomous nervous system testing.

On August 25, 2020, a settlement agreement was executed between Michael Smith and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $500,000.00. Of that amount, the federal government received $356,587.19 to satisfy North Carolina's obligation to return the federal portion of Medicare and Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $143,412.81. Of this amount, $66,855.17 was paid to the North Carolina Medicaid Program as restitution and interest, $36,288.15 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, $31,281.84 was paid to the *qui tam* plaintiff, and $8,987.65 was paid to the North Carolina Department of Justice for costs of collection and investigation.

MERIT MEDICAL SYSTEMS, INC.

Merit Medical Systems, Inc. is a publicly held corporation with its principal place of business in South Jordan, Utah. At all relevant times, Merit distributed, marketed, and sold products in the United States, including North Carolina. This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from September 1, 2010, through March 31, 2017, Merit Medical Systems, under an internal program known as the Local Advertising Program, offered and paid physicians, medical practices, and hospitals millions of dollars in free advertising assistance, practice development, practice support, and purported unrestricted "educational" grants to induce the healthcare providers to purchase and use Merit products in medical procedures performed on Medicaid beneficiaries.

On December 31, 2020, in conjunction with a national settlement, a settlement agreement was executed between Merit Medical Systems and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $466,184.44. Of that amount, the federal government received $235,732.40 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $230,452.04. Of this amount, $89,541.88 was paid to the North Carolina Medicaid Program as restitution and interest, $83,626.08 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, $40,074.76 was paid to the *qui tam* plaintiff, and $17,209.32 was paid to the North Carolina Department of Justice for costs of collection and investigation.

OBINNA ORIAKU/CROWN CLINIC, P.A.

Obinna Oriaku/Crown Clinic, P.A. is a Medicaid provider who provides internal medicine and urgent care medical services in and around Mecklenburg County, North Carolina. This matter was referred to the MID by MID's Data Mining team.

It was alleged that from January 1, 2015, through April 4, 2019, Oriaku/Crown Clinic billed for CPT Code 99354 - (Prolonged evaluation and management or psychotherapy service(s) beyond the typical service time of the primary procedure), CPT Code 70150 - (Diagnostic Imaging Study of the Head and Neck), and CPT Code 78268 - (Urea Breath Test, C-14, Isotopic) submissions that were not medically necessary, had no supporting clinical documentation and were performed in violation of Division of Health Benefits Clinical Coverage Policy.

On July 20, 2020, a settlement agreement was executed between Obinna Oriaku/Crown Clinic and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $354,524.68. Of that amount, the federal government received $201,192.74 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $153,331.94. Of this amount, $76,360.99 was paid to the North Carolina Medicaid Program as restitution and interest, $63,838.94 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, and $13,132.01 was paid to the North Carolina Department of Justice for costs of collection and investigation.

NOVO NORDISK, INC.

Novo Nordisk, Inc. is a U.S. company with its headquarters in Plainsboro, New Jersey. At all relevant times, Novo Nordisk distributed, marketed, and sold pharmaceutical products in the United States, including North Carolina. This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from January 1, 2010, through December 31, 2014, Novo Nordisk off label marketed its drug Victoza.

On July 21, 2017, in conjunction with a national settlement, a settlement agreement was executed between Novo Nordisk and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $302,206.30. Of that amount, the federal government received $204,978.82 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $97,227.48. Of this amount, $32,801.18 was paid to the North Carolina Medicaid Program as restitution and interest, $44,071.97 was paid to the Civil Penalty Forfeiture Fund for the support of public schools,

$17,674.71 was paid to the *qui tam* plaintiff, and $2,679.62 was paid to the North Carolina Department of Justice for costs of collection and investigation.

HARRISON FRANK (CAROLINA COMPREHENSIVE HEALTH NETWORK)

Harrison Frank owned a group of healthcare practices referred to as Carolina Comprehensive Health Network, PA that had offices in multiple locations in the Western District of North Carolina, as well as other locations in North Carolina. This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from May 1, 2015, through November 30, 2015, Harrison Frank submitted claims to the Medicaid program for unnecessary diagnostic procedures including: 1) positional nystagmus testing; 2) rotational axis testing; 3) nerve conduction testing; and 4) autonomous nervous system testing.

On August 25, 2020, a settlement agreement was executed between Harrison Frank and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $300,000.00. Of that amount, the federal government received $214,704.39 to satisfy North Carolina's obligation to return the federal portion of Medicare and Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $85,295.61. Of this amount, $40,182.15 was paid to the North Carolina Medicaid Program as restitution and interest, $21,028.98 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, $18,769.11 was paid to the *qui tam* plaintiff, and $5,315.37 was paid to the North Carolina Department of Justice for costs of collection and investigation.

PACIRA PHARMACEUTICALS

Pacira Pharmaceuticals is a New Jersey Corporation with its principal place of business in Parsippany, New Jersey. At all relevant times, Pacira distributed, marketed, and sold pharmaceutical products in the United States, including North Carolina. This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from December 1, 2012, through April 30, 2015, Pacira improperly issued research grants to physicians to generate prescriptions of its product Exparel.

On July 22, 2020, in conjunction with a national settlement, a settlement agreement was executed between Pacira Pharmaceuticals and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $179,792.31. Of that amount, the federal government received $99,616.06 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal

government. The North Carolina State share of the settlement was $80,176.25. Of this amount, $31,031.58 was paid to the North Carolina Medicaid Program as restitution and interest, $28,554.24 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, $14,714.28 was paid to the *qui tam* plaintiff, and $5,876.15 was paid to the North Carolina Department of Justice for costs of collection and investigation.

MICHAEL SMITH, MD

Michael Smith, MD is a Medicaid provider who provides family medicine services in Mount Holly, North Carolina. This matter was referred to the MID by the Division of Health Benefits Director of Pharmacy.

It was alleged that from January 1, 2013, through September 26, 2017, Smith billed for evaluation and management services that were never rendered and knowingly caused the submission of Medicaid claims for pharmaceuticals that were medically unnecessary.

On February 21, 2019, a settlement agreement was executed between Smith and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $150,000.00. Of that amount, the federal government received $113,922.04 to satisfy North Carolina's obligation to return the federal portion of Medicare and Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $36,077.96. Of this amount, $13,881.14 was paid to the North Carolina Medicaid Program as restitution, $20,827.80 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, and $1,369.02 was paid to the North Carolina Department of Justice for costs of collection and investigation.

TUONG NGUYEN/CENTRAL CAROLINA MEDICAL CLINIC

Tuong Nguyen/Central Carolina Medical Clinic is a Medicaid provider who provides general practice and family medicine services in and around Mecklenburg County, North Carolina. This matter was referred to the MID by MID's Data Mining team.

It was alleged that from January 1, 2015, through October 28, 2019, Nguyen/Central Carolina Medical Clinic billed for services that were not medically necessary, had no supporting clinical documentation and were performed in violation of Division of Health Benefits Clinical Coverage Policy.

On June 15, 2020, a settlement agreement was executed between Nguyen/Central Carolina Medical Clinic and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $135,000.00. Of that amount, the federal government received $76,680.00 to satisfy North Carolina's obligation

to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $58,320.00. Of this amount, $54,686.66 was paid to the North Carolina Medicaid Program as restitution and $3,633.34 was paid to the North Carolina Department of Justice for costs of investigation.

QC KIDZ PEDIATRICS/JANCY UTOH, MD

QC Kidz Pediatrics/Jancy Utoh, MD is a Medicaid provider who provides pediatric medical services in and around Mecklenburg County, North Carolina. This matter was referred to the MID by MID's Data Mining team.

It was alleged that from January 1, 2015, through April 28, 2020, QC Kidz Pediatrics/Jancy Utoh billed for CPT Code 69210 (Removal of Impacted Cerumen) submissions that were not medically necessary, had no supporting clinical documentation and were performed in violation of Division of Health Benefits Clinical Coverage Policy.

On May 20, 2020, a settlement agreement was executed between QC Kidz Pediatrics/Jancy Utoh and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $115,000.00. Of that amount, the federal government received $65,320.00 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $49,680.00. Of this amount, $23,292.47 was paid to the North Carolina Medicaid Program as restitution, $21,884.04 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, and $4,503.49 was paid to the North Carolina Department of Justice for costs of collection and investigation.

CODEY BROWN (CAROLINA COMPREHENSIVE HEALTH NETWORK)

Codey Brown worked for a business entity that managed the business operations of a group of healthcare practices referred to as Carolina Comprehensive Health Network, PA that had offices in multiple locations in the Western District of North Carolina, as well as other locations in North Carolina. This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from May 1, 2015, through November 30, 2015, Codey Brown submitted claims to the Medicaid program for unnecessary diagnostic procedures including: 1) positional nystagmus testing; 2) rotational axis testing; 3) nerve conduction testing; and 4) autonomous nervous system testing.

On August 25, 2020, a settlement agreement was executed between Codey Brown and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $100,000.00. Of that amount, the

federal government received $71,568.13 to satisfy North Carolina's obligation to return the federal portion of Medicare and Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $28,431.87. Of this amount, $13,394.05 was paid to the North Carolina Medicaid Program as restitution and interest, $7,009.66 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, $6,256.37 was paid to the *qui tam* plaintiff, and $1,771.79 was paid to the North Carolina Department of Justice for costs of collection and investigation.

ANGIER PEDIATRICS AND ADULT MEDICAL CENTER/KINGSLEY UGOCHUKWU, MD

Angier Pediatrics and Adult Medical Center/Kingsley Ugochukwu is a Medicaid provider that provides internal medicine and urgent care medical services in and around Wake County, North Carolina. This matter was referred to the MID by MID's Data Mining team.

It was alleged that from January 1, 2016, through April 30, 2020, Angier Pediatrics and Adult Medical Center/Kingsley Ugochukwu billed for CPT Code 95921, CPT Code 93922, and CPT Code 95943 submissions that were not medically necessary, had no supporting clinical documentation and were performed in violation of Division of Health Benefits Clinical Coverage Policy.

On March 26, 2021, a settlement agreement was executed between Angier Pediatrics and Adult Medical Center/Kingsley Ugochukwu and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $60,000.00. Of that amount, the federal government received $34,188.00 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $25,812.00. Of this amount, $12,101.96 was paid to the North Carolina Medicaid Program as restitution, $11,370.19 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, and $2,339.85 was paid to the North Carolina Department of Justice for costs of collection and investigation.

MEDICREA USA, INC.

Medicrea USA, Inc. is a publicly held corporation with its principal place of business in New York. At all relevant times, Medicrea manufactured, marketed, and sold medical devices in the United States, including North Carolina. This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from October 1, 2013, through December 31, 2015, Medicrea paid kickbacks to physicians in return for some of the physicians purchasing or ordering Medicrea's medical devices.

On May 10, 2021, in conjunction with a national settlement, a settlement agreement was executed between Medicrea and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $56,096.73. Of that amount, the federal government received $31,190.72 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $24,906.01. Of this amount, $8,608.55 was paid to the North Carolina Medicaid Program as restitution and interest, $9,044.91 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, $5,463.62 was paid to the *qui tam* plaintiff, and $1,788.93 was paid to the North Carolina Department of Justice for costs of collection and investigation.

PROGENITY, INC.

Progenity, Inc. is a company headquartered in California. At all relevant times, Progenity provided molecular laboratory testing services in the United States, including North Carolina. This matter was referred to the MID by the National Assoication of Medicaid Fraud Control Units.

It was alleged that from January 1, 2012, through April 30, 2016, Progenity miscoded claims for reimbursement for non-invasive prenatal testing and provided kickbacks to providers.

On October 1, 2020, in conjunction with a national settlement, a settlement agreement was executed between Progenity and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $50,434.10. Of that amount, the federal government received $28,282.20 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $22,151.90. Of this amount, $10,461.27 was paid to the North Carolina Medicaid Program as restitution and interest, $9,695.42 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, and $1,995.21 was paid to the North Carolina Department of Justice for costs of collection and investigation.

ANDREW IGHADE/MIDCAROLINA PEDIATRICS

Andrew Ighade/MidCarolina Pediatrics is a Medicaid provider who provides pediatric medicine services in and around Mecklenburg County, North Carolina. This matter was referred to the MID by MID's Data Mining team.

It was alleged that from January 1, 2015, through April 30, 2020, Ighade/MidCarolina Pediatrics billed for CPT Code 69210 (Removal of Impacted Cerumen) submissions that were not medically necessary, had no supporting clinical documentation and were performed in violation of Division of Health Benefits Clinical Coverage Policy.

On August 5, 2020, a settlement agreement was executed between Andrew Ighade/MidCarolina Pediatrics and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $50,000.00. Of that amount, the federal government received $28,400.00 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $21,600.00. Of this amount, $10,127.16 was paid to the North Carolina Medicaid Program as restitution, $9,514.80 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, and $1,958.04 was paid to the North Carolina Department of Justice for costs of collection and investigation.

PROHEALTH DENTAL

ProHealth Dental was a Medicaid provider beginning in at least 2015. ProHealth was a corporation organized in the State of Delaware but was administratively dissolved in or around December 2018 and is no longer an operating corporate entity. ProHealth provided practice management services, including but not limited to recruiting, scheduling, and billing of dental services in a number of states, including North Carolina, at the practice of Henry Davis, Jr., III, PLLC. This matter was referred to the MID during the course of another investigation.

It was alleged that from May 1, 2015, through April 21, 2017, ProHealth Dental submitted claims to the Medicaid program for CDT D99354 (full mouth debridement), CDT 9440 (after hours office visit), CDT 1110 (adult prophylaxis), CDT D1120 (periodic oral examination), and CDT D0150 (complete oral evaluation) submissions that were never performed, had insufficient supporting clinical documentation, were not medically necessary, and/or were performed in violation of Division of Health Benefits Clinical Coverage Policy.

On June 24, 2021, a settlement agreement was executed between ProHealth Dental and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $50,000.00. Of that amount, the federal government received $28,165.00 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $21,835.00. Of this amount, $10,237.34 was paid to the North Carolina Medicaid Program as restitution and interest, $9,618.32 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, and $1,979.34 was paid to the North Carolina Department of Justice for costs of collection and investigation.

PAMELA JOHNSON-DARR, DDS

Pamela Johnson-Darr, DDS is a Medicaid provider that provides general dentistry services in and around Davidson County, North Carolina. This matter was referred to the MID by the Division of Health Benefits, Office of Compliance and Program Integrity.

It was alleged that from January 5, 2015, through October 18, 2019, Johnson-Darr billed for dental codes involving detailed and extensive oral evaluation, full mouth debridement, three surface resin restoration (posterior teeth), and surgical extraction requiring removal of bone that were not medically necessary, had no supporting clinical documentation and were performed in violation of Division of Health Benefits Clinical Coverage Policy.

On July 8, 2020, a settlement agreement was executed between Johnson-Darr and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $47,798.12. Of that amount, the federal government received $27,149.33 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $20,648.79. Of this amount, $9,938.89 was paid to the North Carolina Medicaid Program as restitution and interest, $9,870.08 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, and $839.82 was paid to the North Carolina Department of Justice for costs of collection and investigation.

APRIA HEALTHCARE GROUP, INC.

Apria Healthcare Group, Inc. is a Delaware corporation with its principal place of business in Lake Forest, California. At all relevant times, Apria Healthcare Group was a Durable Medical Equipment supplier and operated 300 branch locations throughout the United States, including North Carolina. This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from January 1, 2014, through December 31, 2019, Apria Healthcare Group submitted claims for medically unnecessary treatment using non-invasive ventilators.

On December 14, 2020, in conjunction with a national settlement, a settlement agreement was executed between Apria Healthcare Group and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $44,750.43. Of that amount, the federal government received $25,317.39 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $19,433.04. Of this amount, $7,360.25 was paid to the North Carolina Medicaid Program as restitution and interest, $6,876.34 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, $3,781.38 was paid to the *qui tam* plaintiff, and $1,415.07 was paid to the North Carolina Department of Justice for costs of collection and investigation.

THE GORES GROUP

The Gores Group is a global investment firm headquartered in Los Angeles, California. The Gores Group acquired Therakos, Inc. in January 2013. At all relevant times, Therakos

manufactured and marketed medical device systems and related pharmaceutical products in the United States, including North Carolina. This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from January 1, 2013, through September 30, 2015, The Gores Group/Therakos off-label marketed its device used to perform extracorporeal photopheresis.

On February 3, 2021, in conjunction with a national settlement, a settlement agreement was executed between The Gores Group and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $42,264.84. Of that amount, the federal government received $23,560.92 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $18,703.92. Of this amount, $6,664.69 was paid to the North Carolina Medicaid Program as restitution, $6,261.70 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, $4,488.94 was paid to the *qui tam* plaintiff, and $1,288.59 was paid to the North Carolina Department of Justice for costs of collection and investigation.

SETON PHARMACEUTICALS, LLC

Seton Pharmaceuticals, LLC is a New Jersey Limited Liability Company with its principal place of business in Manasquan, New Jersey. At all relevant times, Seton distributed, marketed, and sold pharmaceutical products in the United States, including North Carolina. This matter was referred to the MID by a private citizen.

It was alleged that from September 1, 2013, through January 31, 2017, Seton Pharmaceuticals failed to correctly report the proper "Market Date" for the Medicaid Drug Rebate Program. As a result, an incorrect "Market Date" data element was used by the Centers for Medicare and Medicaid Services in the "Baseline AMP" calculus within the Drug Data Reporting system that is used to calculate rebates to be paid to the State under the Medicaid Drug Rebate Program.

On December 11, 2020, a settlement agreement was executed between Seton Pharmaceuticals and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $37,325.24. Of that amount, the federal government received $20,920.80 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $16,404.44. Of this amount, $15,383.55 was paid to the North Carolina Medicaid Program as restitution and interest and $1,020.89 was paid to the North Carolina Department of Justice for costs of investigation.

TRUECARE RX, LLC

TrueCare Rx, LLC is a Medicaid provider that provides pharmacy services in and around Cabarrus County, North Carolina. This matter was referred to the MID by the Division of Health Benefits Pharmacy Department.

It was alleged that from November 23, 2016, through March 21, 2018, TrueCare, Rx made false claims to the Medicaid program by dispensing a portion of its inventory that were not qualified for reimbursement by the North Carolina Medicaid program and billing under different National Drug codes ("NDCs") from the NDCs that appeared on the non-reimbursable products that were actually dispensed to Medicaid beneficiaries.

On January 11, 2021, a settlement agreement was executed between TrueCare Rx and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $11,288.85. Of that amount, the federal government received $6,459.48 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $4,829.37. Of this amount, $1,509.50 was paid to the North Carolina Medicaid Program as restitution, $2,836.45 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, and $483.42 was paid to the North Carolina Department of Justice for costs of collection and investigation.

ASTRAZENECA

Astrazeneca LP is a Delaware limited partnership with its headquarters in Wilmington, Delaware. At all relevant times, Astrazeneca marketed and sold pharmaceutical products in the United States, including North Carolina. This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from August 13, 2003 through January 31, 2020, Astrazeneca off-label marketed its drug Crestor.

Under the terms of North Carolina's settlement, the State of North Carolina recovered $5,928.54. Of that amount, the federal government received $3,375.58 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $2,552.96. Of this amount, $1,723.61 was paid to the North Carolina Medicaid Program as restitution, $714.83 was paid to the *qui tam* plaintiff, and $114.52 was paid to the North Carolina Department of Justice for costs of investigation.

MEDICAL DEVICE BUSINESS SERVICES, INC.

Medical Device Business Services, Inc. is an Indiana corporation that provides medical device services to affiliates of Ortho-Clinical Diagnostics and Therakos, Inc. At all relevant times, Medical Device Business Services marketed medical device systems in the United States, including North Carolina. This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from January 1, 2006, through December 31, 2012, Medical Device Business Services off-label marketed the extracorporeal photopheresis device.

On February 19, 2021, in conjunction with a national settlement, a settlement agreement was executed between Medical Device Business Services and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, the State of North Carolina recovered $2,188.04. Of that amount, the federal government received $1,273.42 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $914.62. Of this amount, $325.91 was paid to the North Carolina Medicaid Program as restitution, $306.19 was paid to the Civil Penalty Forfeiture Fund for the support of public schools, $219.51 was paid to the *qui tam* plaintiff, and $63.01 was paid to the North Carolina Department of Justice for costs of collection and investigation.

PATIENT HOME MONITORING, INC.

Patient Home Monitoring, Inc. is a Washington corporation with its principal place of business in San Francisco, California. At all relevant times, Patient Home Monitoring was a medical device supplier that specialized in providing in-home blood testing and monitoring equipment, supplies and services in the United States, including North Carolina. This matter was referred to the MID by a *qui tam* plaintiff.

It was alleged that from May 8, 2010 through December 31, 2016, Patient Home Monitoring leased or sold used coagulation testing meters to Medicaid beneficiaries which compromised the functionality, accuracy, and safety of the meters.

Under the terms of North Carolina's settlement, the State of North Carolina recovered $2,074.61. Of that amount, the federal government received $1,182.72 to satisfy North Carolina's obligation to return the federal portion of Medicaid recoveries to the federal government. The North Carolina State share of the settlement was $891.89. Of this amount, $619.34 was paid to the North Carolina Medicaid Program as restitution and interest, $231.50 was paid to the *qui tam* plaintiff, and $41.05 was paid to the North Carolina Department of Justice for costs of collection and investigation.

SERENITY REHABILITATION SERVICES, LLC/SHAWANA TORRENCE

Serenity Rehabilitation Services, LLC/Shawana Torrence was a Medicaid provider that provided outpatient behavioral health services in and around Guilford County, North Carolina. This matter was referred to the MID by the Division of Health Benefits, Office of Compliance and Program Integrity.

It was alleged that from January 1, 2016, through December 31, 2018, Serenity Rehabilitation Services billed for certain CPT codes that were not medically necessary, had no supporting clinical documentation and were performed in violation of Division of Health Benefits Clinical Coverage Policy 8A.

On August 14, 2020, a settlement agreement was executed between Serenity Rehabilitation Services/Shawana Torrence and the State of North Carolina in settlement of these allegations. Under the terms of North Carolina's settlement, Shawana Torrence agreed to cease all business operations of Serenity Rehabilitation Services within 60 days, including but not limited to (1) providing behavioral health services of any nature to any Medicaid recipient, and/or (2) the submission of any and all claims for behavioral health services to the North Carolina Medicaid program and/or Local Management Entities-Managed Care Organization operating within the State of North Carolina pursuant to NC 1915(b)(c) Waiver. Shawana Torrence and Serenity agreed to execute a Confession of Judgment for $300,000 and the Government may file it immediately upon Torrence's failure to abide by the terms of the Settlement Agreement.

VI. PROSPECTUS

MID works to achieve a high standard of excellence in our efforts to effectively and efficiently combat fraud and abuse within the Medicaid Program. We continue to be optimistic about the overall progress of our efforts to combat fraud and abuse in the Medicaid Program. Our optimism is based on a number of factors.

- ✓ MID investigators continue to uncover and obtain evidence of complex fraud schemes. MID criminal enforcement attorneys continue to make a significant impact by prosecuting felony cases resulting in active time. MID civil enforcement attorneys continue to be actively involved in numerous state cases and national global/multi-state civil cases which have potential for successful conclusions and the recovery of funds for the state in future fiscal years.
- ✓ MID continues to work to address the opioid crisis. For example, in 2018 MID filed a complaint against drug manufacturer Insys Therapeutics, Inc., alleging violations of the N.C. False Claims Act. We were joined in the filing by several other *qui tam* states. Insys produced and sold Subsys, a highly potent and addictive fentanyl pain killer that is sprayed under the tongue and used to treat breakthrough cancer pain. MID alleges that Insys paid kickbacks to entice doctors and nurse practitioners to prescribe Subsys to patients. These

kickbacks ranged from speaker payments for phony speeches to lavish meals and entertainment. The complaint also alleges that Insys employees pushed prescribers to prescribe Subsys for patients who were not diagnosed with cancer, and lied to insurance companies about patient diagnoses to obtain Medicaid reimbursements for Subsys prescriptions. Insys executed a settlement agreement with the federal government to pay a total of $195 million over five years. Insys paid the first installment delineated in the settlement agreement of $5 million dollars, $185,000.00 of which was paid to the states. However, Insys filed for bankruptcy on June 10, 2019, only days after the federal settlement agreement was executed. Insys moved for an order approving bidding procedures for the sale of assets, including Subsys and other of its drug products. The bankruptcy case continues. The MID is actively monitoring the Insys bankruptcy and will continue to pursue an appropriate resolution in light of the company's unsettled financial and operational future.

- ✓ MID continues to have a reliable exchange with the North Carolina Medicaid Agency, as well as with other state, local and federal investigative, licensing, law enforcement and prosecutorial agencies. These relationships have played an important role in MID's success and will continue to contribute to our accomplishments in future fiscal years.
- ✓ HHS-OIG has granted MID permission to engage in data mining. MID coordinates with OCPI and others in our data mining efforts. In FY 2020 MID and OCPI met regularly to coordinate on data mining. MID will continue to coordinate with OCPI and to engage in data mining. We have already had success in several healthcare fraud investigations based upon our data mining efforts. As illustrated in the case summaries above, MID's data mining efforts are productive.
- ✓ MID has continued to meet regularly with OCPI to discuss referrals, initiatives and other matters of significance to both of our organizations.
- ✓ MID also has worked closely with NCDHHS with respect to Medicaid utilization access for our investigators. We are grateful for the NCDHHS' assistance and cooperation.

MID also continues to face challenges. In SFY 20-21 we continued to encounter COVID-19 pandemic related limitations (closed courts, impact on fieldwork). Despite these limitations we had a productive year, with increases in both our criminal convictions and civil recoveries.

We see our primary challenge in the coming year to be the current transition of the North Carolina Medicaid Program to a managed care model of care delivery. MID is continuing to coordinate with NC DHHS on this. We are working with OCPI with respect to outreach to the managed care organizations' Special Investigation Units (SIUs). We expect to develop effective working relationships with the SIUs and to develop a stream of fraud referrals from them.

In particular, the challenge we see with the managed care transition is that there is uncertainty about whether the managed care organizations will provide fraud referrals to OCPI and MID of appropriate quantity and quality.

MID's criminal and civil operations continue to recover funds resulting in a positive return on investment for every state dollar invested in MID. Our operations also continue to save state funds by deterring potential fraudulent activity.

In conclusion, we remain optimistic as to the long-term success of MID. We continue to be committed to fighting fraud and abuse in the Medicaid Program as efficiently and effectively as possible, and pledge our best efforts toward the accomplishment of that goal.