

# ALASKA LEGISLATURE

## *Representative Jonathan Kreiss-Tomkins*

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## **HB 366 — Recovery of False Claims for State Funds**

### **Examples of cases brought under state false claims acts**

This document was put together by the office of Rep. Kreiss-Tomkins, using examples compiled by Taxpayers Against Fraud and available online at <http://www.taf.org/success-at-state-level>

#### [New Life Lodge Agrees to Resolve TennCare Fraud Allegations for \\$9.25 Million](#)

**Tennessee:** Attorney General Bob Cooper announced that CRC Health Group has agreed to pay \$9.25 million to the state of Tennessee to settle alleged TennCare fraud. CRC allegedly provided substandard services, exceeded its state-licensed patient capacity, and double-billed the TennCare program for prescription drugs.

#### [AG Jepsen: State Reaches False Claims Act Settlement with Southington Dental Provider](#)

**Connecticut:** Dr. DeRienzo, a Southington, CT dentist, will pay \$55,000 to settle civil healthcare fraud allegations involving the filing of false and fraudulent claims for payments from Connecticut's Medicaid program. In particular, Dr. DeRienzo is alleged to have falsely charged the Department of Social Services for resin-based composite fillings that, in fact, patients did not receive. In addition, he has agreed to enter into a separate agreement with the DSS to be permanently barred from participation as a dentist in the Connecticut Medical Assistance Program.

#### [APS Healthcare Pays \\$13 Million to Settle Investigation into False Medicaid Claims](#)

**Georgia:** Innovative Resources Group, LLC, doing business as APS Healthcare Midwest has reached a \$13 million settlement with the State of Georgia and the United States to resolve allegations under the False Claims Act. The settlement resolves allegations that APS Healthcare submitted false claims to Medicaid through the Georgia Department of Community Health (DCH). APS Healthcare agreed to provide case and disease management services to Georgia Medicaid recipients while APS Healthcare was paid a monthly fee for each member receiving such services. The government contends that from September 1, 2007 through February 28, 2010, APS Healthcare failed to provide the required services to a large portion of the Medicaid recipients and over-billed DCH in its monthly invoices.

#### [Office Depot pay \\$43 Million to Settle Supply Lawsuit](#)

**California:** The settlement is a result of a qui tam suit filed by former employee, David Sherwin of Florida. Sherwin claimed the company systematically violated the terms of cooperative contracts used by 1,200 government agencies to purchase pens, ink, furniture and other goods. The largest recipient of settlement funds will be the City of Los Angeles, which will receive \$11.66 million. Santa Clara County will receive \$3 million, and the County of Los Angeles will receive nearly \$1.95 million.

#### [Indiana joins suit against Brown Mackie, Art Institute parent company](#)

**Indiana:** Attorney General Greg Zoeller's Office joins three other states and the federal government in a whistleblower lawsuit against Education Management Corporation (EDMC). The state and federal governments allege the EDMC defendants violated Title IV of the Higher Education Act of 1965 that bans incentive compensation for college admissions employees based on the numbers of students they enroll. EDMC is accused of lying to the federal government when it certified compliance with federal rules.

#### [\\$1.7 Mil. False Claim Settlement with State's Largest Long Term Care Provider](#)

**Hawaii:** First Deputy Attorney General Richard Bissen announced that the State of Hawaii secured a \$1.7 million false claim settlement from Beverly Enterprises Hawaii, Inc., in connection to its Hale Nani Rehabilitation and Nursing Center. The Center allegedly falsified records, engaged in irregular patient prescription practices, and participated in kickback schemes for medication and pharmacy services.

#### [Painting Company Sued for Failing to Pay More Than \\$2 Million to Employees](#)

**Massachusetts:** Attorney General Martha Coakley announced that M&J Painting, Inc. will pay its employees more than \$2 million in wages in violating of Massachusetts wage and overtime laws, for engaging in unfair competition, and for violating the Massachusetts False Claims Act. M&J knowingly submitted false certified payroll records to the state government.

#### [Chevron Corporation to Pay \\$5.2 Million for Improper Application for Funds from the New Mexico Corrective Action Fund](#)

**New Mexico:** The settlement resolved claims Chevron submitted applications to the NM Corrective Action Fund seeking public funds to clean up petroleum contamination from Chevron's own leaking underground storage tanks at gasoline stations around New Mexico. Chevron claimed it did not have outside insurance to pay for such costs. The state alleged that Chevron did recover from outside insurers through secret settlements.

#### [A.G. Schneiderman Announces \\$11 Million Multi-State Settlement Over Fraud Claims Against Long Island Tech Company](#)

**New York:** Attorney General Eric T. Schneiderman announced that New York will be paid \$708,795 as part of an \$11 million multi-state settlement with CA, Inc. The company engaged in a scheme to overcharge government customers for computer software maintenance and servicing plans sold between 2001 and 2009.