

**REMARKS BY INSPECTOR GENERAL CHARLES C. MADDOX**  
**FIRST HEALTH SETTLEMENT PRESS CONFERENCE**  
**April 23, 2003**

This settlement shows that the Mayor, City Council, and the U.S. Attorney's Office filled an important gap in the city's law enforcement structure when they worked diligently with my Office to create the Medicaid Fraud Control Unit three years ago. At the very beginning of my tenure as Inspector General, the Mayor identified the need to create a specialized unit to protect the D.C. Medicaid program from fraud and abuse. The United States Attorney's Office responded enthusiastically to suggestions that the Unit would be organized in a unique "strike force" fashion with OIG lawyers deputized as Special Assistant U.S. Attorneys to lead teams composed of investigators and auditors. The OIG attorneys would provide legal analysis from the very beginning of each case, and, in turn, become familiar with the case long before litigation occurred.

Within a few months, in March of 2000, the Medicaid Fraud Control Unit was certified by the U.S. Department of Health and Human Services. Almost immediately, we began to investigate findings of Medicaid irregularities that resulted from a completed OIG inspection of the D.C. Department of Health. The inspection highlighted the fact that the District Medicaid program had lost large sums of money due to payments to ineligible patients. Most alarming was our finding that no one had made efforts to recoup these losses, which occurred between 1993 and 1996.

Our investigation confirmed that a technical flaw in a contractor's computer software allowed millions of dollars to be paid out for services to patients who were no longer eligible for our Medicaid program. We were confident that this investigation would demonstrate how a contractor's reckless conduct resulted in the unnecessary loss of millions of dollars to the District as well as to the federal government.

Our staff worked closely with the U.S. Attorney's Office and the D.C. Department of Health to frame the legal case that would eventually allow for the recovery of the \$13 million that we are announcing today. As a result, this settlement is an excellent example of how local and federal law enforcement officials can send a strong message that waste in the District of Columbia will be investigated - and be investigated aggressively. We will continue to pursue fraud and patient abuse within the Medicaid program to enhance the quality of life for vulnerable citizens, and we will continue to do all we can to put millions of dollars back into the District's treasury - where they belong.

My special thanks go to the Mayor, the Office of the Corporation Counsel, the City Council, the U.S. Attorney's Office, and the U.S. Department of Health and Human Services for their support in the creation of the Medicaid Fraud Control Unit. In particular, I would like to thank U.S. Attorney Roscoe Howard, his staff, the MFCU Director Sid Rocke, and all other OIG staff members who worked countless hours to achieve this remarkable success.