

Department of Justice
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Southern District of Georgia

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Southern District of Georgia continues crackdown on healthcare fraud

Three defendants recently sentenced, including a Martinez man who engineered \$1.5 million fraud scheme

AUGUSTA, Ga: A Martinez man has been sentenced to federal prison and ordered to pay nearly \$1.5 million in restitution for defrauding government healthcare and disability programs.

Jonathan Duane Austin, 32, of Martinez, Ga., was sentenced to 30 months in federal prison and ordered to pay \$1,473,377.51 in restitution by U.S. District Court Chief Judge J. Randal Hall, said Bobby L. Christine, U.S. Attorney for the Southern District of Georgia.

At the completion of Austin's sentence, he will be subject to an additional term of supervised release. There is no parole in the federal system.

According to court documents in the case, Austin admitted to defrauding Medicare and Tricare for nearly three years by submitting false claims for prescription reimbursements totaling \$1,450,000, and to defrauding the Social Security Administration by providing forged documents to falsely claim disability status.

The Austin case represents one of the largest beneficiary-created fraud schemes ever prosecuted in the Southern District.

These Austin case was investigated by the Defense Criminal Investigative Service (DCIS), the Department of Health and Human Services (HHS), and the Social Security Administration.

The Health Care Fraud Task Force aggressively prosecutes health care fraud and abuse. The Task Force's effort is reflected in other recent plea agreements and sentences, including:

Maryanne Hudson, 49, of Millen, Ga., was sentenced to 13 months in federal prison by U.S. District Court R. Stan Baker for fraudulently billing Medicare for durable medical equipment that a physician had not actually ordered as reasonable and necessary; and,

Paula Padgett, 49, of Brunswick, Ga., was sentenced to probation for submitting false requests for compensation to the United States Department of Labor, Office of Workers' Compensation Programs, by U.S. District Court Lisa Godbey Wood.

These cases were investigated by HHS, the Federal Bureau of Investigation (FBI), the Department of Labor (DOL), and the U.S. Attorney's Office.

"These types of fraud erode faith in the health care system, and we will not tolerate it," said Bobby L. Christine, U.S. Attorney for the Southern District of Georgia. "Individuals who engage in schemes to steal from taxpayers hurt those with real health problems and the systems in place to address those needs."

“The Austin sentencing demonstrates the commitment of DCIS to protect the integrity of the DoD health care program (TRICARE) from fraud and abuse,” said Special Agent in Charge John F. Khin, DCIS Southeast Field Office. “DCIS investigations ensure taxpayer money is properly used to support our warfighter, retirees and their family members.”

“The Social Security OIG will continue to maintain our strong partnerships with other federal, state, and local agencies as we combat fraud. Our responsibility in protecting taxpayers’ dollars doesn’t end with Social Security benefits only,” said Gail S. Ennis, Inspector General of the Social Security Administration. “We will continue to work closely with our law enforcement partners to detect and prevent benefit fraud across the country.”

“This sentencing reaffirms our commitment to protecting patients from the dangers of prescription drug fraud,” said Special Agent in Charge Derrick L. Jackson, of the HHS Office of Inspector General. “Our watchdog agency will continue to work closely with our law enforcement partners to root out waste, fraud and abuse.”

“When Hudson fraudulently billed Medicare she not only cheated taxpayers, she also hurt those who rely on the government program for their healthcare needs,” said Chris Hacker, Special Agent in Charge of FBI Atlanta. “The FBI makes it a top priority to protect government programs like Medicare to ensure that only those who need assistance get it.”

“Paula Padgett engaged in a scheme to defraud the U.S. Department of Labor’s (DOL) Federal Employees’ Compensation Act program by submitting fraudulent claims to the Office of Workers’ Compensation Programs (OWCP) for the reimbursement of nonexistent travel expenses for medical treatment. We will continue to work with OWCP and our law enforcement partners to protect the integrity of DOL’s benefit programs,” said Rafiq Ahmad, Special Agent in Charge, Atlanta Region, U.S. Department of Labor Office of Inspector General.

Assistant United States Attorney J. Thomas Clarkson prosecuted these cases for the United States.