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**UNITED STATES ATTORNEY MIKE STUART ANNOUNCES HEALTHCARE FRAUD
SETTLEMENT FOR OVER \$1.2 MILLION**

CHARLESTON, W.Va. – United States Attorney Mike Stuart, along with Special Agent in Charge Maureen R. Dixon, United States Department of Health and Human Services, Office of Inspector General (HHS-OIG) and Special Agent in Charge Derek Pickle, United States Department of Labor, Office of Inspector General (DOL-OIG), announced that his office has settled healthcare fraud claims against Great Lakes Medical Laboratory, Inc. (Great Lakes). Pursuant to the settlement agreement, Great Lakes will pay \$1,200,737.64 to resolve allegations that the Michigan laboratory engaged in a billing scheme that defrauded Medicare and the United Mine Workers of America 1992 Benefit Plan, the 1993 Benefit Plan, and the Combined Benefit Fund (UMWA Funds) of \$600,368.82. The settlement sum is twice the actual loss resulting from the scheme.

“\$1.2 million. This settlement demonstrates my office’s commitment to protect critical Medicare dollars and union affiliated benefit plans from fraud and abuse,” said United States Attorney Mike Stuart. “We will continue to work with HHS-OIG, DOL-OIG and others to eradicate fraud from taxpayer funded federal programs.”

Great Lakes operated a medical reference laboratory in Michigan and routinely tested urine and blood samples referred by medical providers located in West Virginia and elsewhere. From in or about January 4, 2016 continuing into or about May 12, 2017, Great Lakes presented at least 21,732 claims to Medicare and the UMWA Funds which included separate claims for reimbursement for services which were already included in bills submitted for other laboratory services. Moreover, investigators learned that the fraudulent claims were for services that were not specifically ordered by the referring physicians, and determined that there was no indication that the services billed were actually performed. These false claims resulted in a loss to Medicare and the UMWA Funds in the

amount of \$600,368.82. As a result of the \$1,200,737.64 settlement, which represents twice the actual loss suffered by Medicare and the UMWA Funds, both federal programs will be made whole.

As part of this settlement, Great Lakes entered into a three-year Integrity Agreement (IA) with HHS-OIG. The IA requires Great Lakes to maintain a compliance program, implement a risk assessment program, and hire an Independent Review Organization to review Medicare and UMWA Funds claims.


“Accurately billing for services provided to Medicare beneficiaries is required of all health care providers,” said Maureen R. Dixon, Special Agent in Charge for the U.S. Department of Health and Human Services, Office of the Inspector General. “HHS-OIG will continue to work with the U.S. Attorney’s Office, DOL-OIG and all our law enforcement partners to evaluate and pursue allegations of inaccurate Medicare billings.”

“One of the primary missions of the Office of Inspector General is to investigate allegations of fraud relating to union affiliated benefit plans. We will continue to work with our law enforcement partners to protect the financial integrity of labor unions and safeguard the assets of union members,” said Derek Pickle, Acting Special Agent-in-Charge, Philadelphia Region, U.S. Department of Labor, Office of Inspector General.

The investigation was conducted by HHS-OIG, DOL-OIG, and members of the United States Attorney’s Healthcare Fraud Abuse, Recovery and Response Team (ARREST). ARREST is an innovative approach linking civil and criminal enforcement efforts together in a comprehensive attack on the opioid epidemic and health care fraud. Assistant United States Attorneys Alan McGonigal and Jennifer Mankins handled the matter on behalf of the United States. The settlement agreement can be found attached to this email.

United States Attorney Mike Stuart announced the formation of ARREST in February 2019. This settlement is one of several significant results since the Team’s inception. All health care related cases in the Southern District of West Virginia, whether they are the subject of criminal or civil investigation or enforcement, are directed through ARREST. Included within the purview of the team are the Opioid Fraud and Abuse Detection Unit, Affirmative Civil Enforcement Unit, Appalachian Regional Prescription Opioid Task Force, Medicare and Medicaid Fraud, and Asset Forfeiture efforts related to all healthcare matters.

A copy of this press release is located on the website of the [U.S. Attorney’s Office](#) for the Southern District of West Virginia.

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