OFFICE OF THE ATTORNEY GENERAL OF VIRGINIA

2010-2011 ANNUAL REPORT

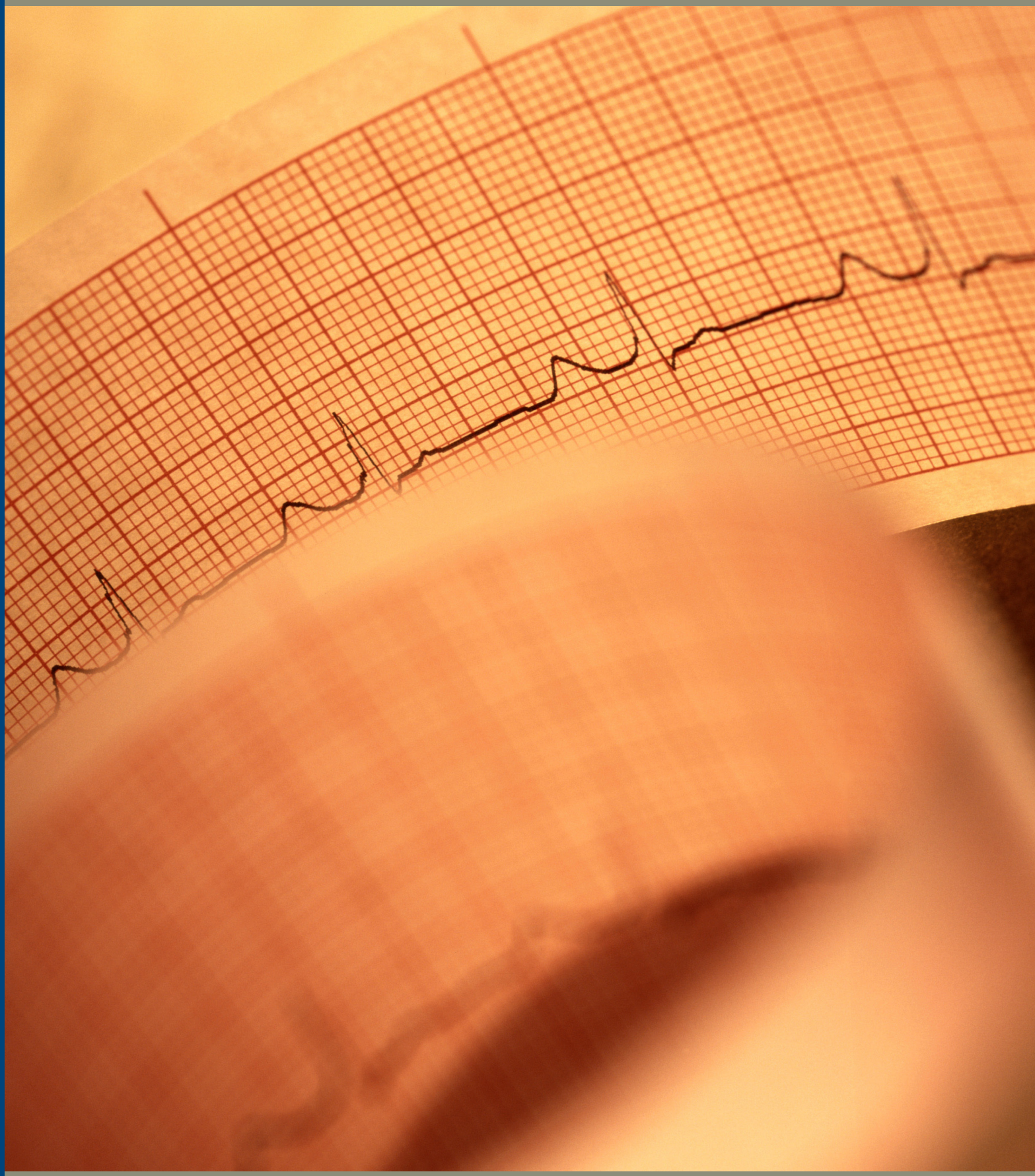
MEDICAID FRAUD CONTROL UNIT

Attorney General Kenneth T. Cuccinelli, II

The men and women working in the
Medicaid Fraud Control Unit continue to surpass
milestones in their fight to protect the health and welfare of
the residents of the Commonwealth.
We are pleased to present
the Medicaid Fraud Control Unit's
2011 Annual Report.

MEDICAID FRAUD CONTROL UNIT
OFFICE OF THE ATTORNEY GENERAL

900 East Main Street
Richmond, VA 23219
(804) 786-2071



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COMMONWEALTH of VIRGINIA

Office of the Attorney General

Kenneth T. Cuccinelli, II
Attorney General

900 East Main Street
Richmond, Virginia 23219
804-786-2071
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June 30, 2011

To the citizens of the Commonwealth:

The purpose of my office's Medicaid Fraud Control Unit (MFCU) is to investigate and prosecute unscrupulous health care providers who commit fraud against Virginia's Medicaid program and Virginia taxpayers by billing for services not rendered, using untrained and noncertified employees, or abusing or neglecting the patients in their care.

This year, as a result of our criminal and civil investigations, the Virginia MFCU has successfully recovered a significant amount of money from providers who defrauded or attempted to defraud the Medicaid program. I am pleased to report that the unit has obtained convictions of 11 health care providers in state and federal courts, with $14,573,789.01 in court-ordered fines, penalties, and restitution to the Medicaid program.

The MFCU's outstanding performance is attributable to a focused team effort, exceptional working relationships with other state and federal agencies, and the selfless dedication of the men and women of the unit. These employees spend many days away from home and family to conduct surveillance, execute search warrants, analyze records, conduct interviews, and prosecute cases in court. As a result, in 2008, the unit was named the number one MFCU in the country by the U.S. Department of Health and Human Services and the U.S. Office of Inspector General.

In response to the continued increase in referrals of suspected fraud, this year I authorized the MFCU to add 25 investigators, attorneys, and support staff to assist the unit and its partners, the U.S. Department of Health and Human Services and the Office of the Inspector General. We anticipate that as a result of this staffing increase, the unit will recover millions of additional dollars in fraudulently obtained Medicaid funds.

In addition to preventing fraud, one of my key priorities is to protect the elderly and the incapacitated from abuse and neglect. As part of our recent MFCU expansion, I hired additional investigative staff, including registered nurses, to increase our ability to investigate and prosecute abuse and neglect cases in health care facilities and homes. I have also ordered a community outreach effort to work with local law enforcement to inform seniors about ways to prevent, recognize, and report elder abuse and neglect.

The following report reviews the second half of the 2009-2011 biennium, from July 1, 2010, to June 30, 2011, and sets forth the organization, operations, and accomplishments of the unit.

With kindest regards, I remain

Ken C II

Attorney General of Virginia

Preface

The Virginia Medicaid Fraud Control Unit (MFCU or the Unit) of the Office of the Attorney General (OAG) was certified October 1, 1982, by the United States Department of Health and Human Services. The Unit is one of fifty similarly structured units throughout the United States. In deciding to establish a MFCU in Virginia, the General Assembly stated:

> The General Assembly finds and declares it to be in the public interest and for the protection of the health and welfare of the residents of the Commonwealth that a proper regulatory and inspection program be instituted in connection with the providing of medical, dental and other health services to recipients of medical assistance. In order to effectively accomplish such purpose and to assure that the recipient receives such services as are paid for by the Commonwealth, the acceptance by the recipient of such services and the acceptance by practitioners of reimbursement for performing such services shall authorize the Attorney General or his authorized representative to inspect and audit all records in connection with the providing of such services. Section 32.1-310, Code of Virginia, 1950, as amended.

In 1981, the Virginia General Assembly enacted Chapter 9, §§ 32.1-310 through 32.1-321 of the Code of Virginia to regulate medical assistance in the Commonwealth. This chapter authorizes criminal sanctions for specific acts of Medicaid fraud and abuse. The duties and responsibilities of the Unit are set forth in § 32.1-320.

In 1982, the Unit was established within the Office of the Attorney General in accordance with federal requirements. This Unit is separate and distinct from the Department of Medical Assistance Services (DMAS), which is the single state agency in the executive branch responsible for the administration of the Medicaid program.

In 1995, the General Assembly significantly amended the Medicaid fraud statutes by converting Virginia Code § 32.1-314, the most frequently charged crime under the Medicaid fraud statutes, from a larceny-type offense to a false-claims offense. The change eliminated the requirement that the Commonwealth prove $200 or more was wrongfully taken from the program in order to secure a felony conviction. Under the amended statute, the Commonwealth need only prove that a materially false statement was made in an application for reimbursement under the program.

In 2007, the MFCU/OAG submitted a proposal to establish a penalty for abuse or neglect of an incapacitated adult that results in death to a Class 3 felony, which is a term of imprisonment of not less than five years nor more than 20 years and a fine of not more than $100,000. 2007 Va. Acts cc. 562,653. Before the 2007 amendment, abuse of an incapacitated adult resulting in serious bodily injury or disease was a Class 4 felony punishable by a term of imprisonment of not less than two years nor more than 10 years and a fine of not more than $100,000.

In 2007, the General Assembly enacted a number of changes to health care fraud statutes in Virginia to ensure Virginia would be deemed compliant with the federal Deficit Reduction Act of 2005. If deemed compliant, Virginia would be allowed to keep an additional 10 percent of the recoveries.

- Amended Virginia Code § 8.01-216.3 to increase the minimum penalty from $5,000 to $5,500 and increase the maximum penalty from $10,000 to $11,000;
- Amended Virginia Code § 8.01-216.3 to allow the Virginia Attorney General's Office to recover attorney fees and costs incurred in its investigation and prosecution of *qui tam* actions;
- Amended Virginia Code §§ 8.01-216.5 and 8.01-216.6 to replace "motion for judgment" and "motion" with "complaint" (lines 55, 56-57, 59, 62, 64,77, 78);
- Amended Virginia Code § 8.01-216.9 to (1) extend the statute of limitations period; (2) extend the burden of proof requirement; and (3) prevent defendants from denying civil liability if they are convicted in a criminal proceeding based on the same transaction or occurrence; and
- Amended Virginia Code §§ 32.1-312 and 32.1-313 to extend the statute of limitations and allow Virginia to bring a civil action for fraud against health care subcontractors that provide services or goods to Medicaid recipients, but do not contract directly with Virginia's state provider (DMAS) pursuant to a provider agreement.

In addition, the United States Department of Health and Human Services, Office of the Inspector General issued a ruling on March 13, 2007, that found Virginia's statutory regime was in compliance.

In 2011, the General Assembly made several additional amendments to the health care fraud statutes to facilitate investigations and recoveries. One such change amended Virginia Code § 32.1-314 to mandate that restitution be ordered to the victim, DMAS, upon conviction under the statute. Another amendment expanded the jurisdiction of the MFCU to investigate "complaints alleging abuse or neglect of persons in the care or custody of others who receive payments for providing health care services under the state plan for medical assistance, regardless of whether the patient who is the subject of the complaint is a recipient of medical assistance."

The General Assembly also enacted changes to the Virginia Fraud Against Taxpayers Act (VFATA) that track changes to the Federal False Claims Act. The amendments to VFATA are designed to encourage the filing of *qui tams*, (commonly known as "whistleblower complaints") facilitate the investigation of fraud allegations, and seek to keep Virginia compliant with the Federal Deficit Reduction Act of 2005 (DRA). Among those changes:

- Amended Virginia Code § 8.01-216.5 to expand the protection of whistleblower employees, contractors or agents from adverse employment actions caused by the lawful acts of the whistleblower;
- Amended Virginia Code § 8.01-216.10 to allow the Attorney General's designee to issue a civil investigative demand, and to share information thus obtained with *qui tam* relators where necessary to pursue false claims investigations; and
- Amended Virginia Code § 8.01-216.2 and § 8.01-216.3 to broaden the scope of conduct covered by the VFATA.

Unit Mission

The Unit is charged with the investigation and prosecution of Medicaid providers who conduct their businesses in a fraudulent or highly abusive manner. The intended result of this effort is to deter all providers of medical services from engaging in fraudulent or abusive behavior.

In order to achieve this goal, the Unit will:

- Conduct professional and timely criminal investigations that lead to just results;
- Collaborate with other state and federal agencies involved in the battle against healthcare fraud and patient abuse and neglect throughout the Commonwealth. In fact, the MFCU is uniquely positioned to take the lead in investigating and prosecuting healthcare fraud and patient abuse and neglect in the Commonwealth;
- Seek alternatives to criminal prosecution, when appropriate, to reinforce and instill in the provider community a desire to comply with all regulations promulgated by DMAS;
- Provide educational resources to the community, law enforcement, and other agencies through presentations on the work of the MFCU, and the publishing of newsletters and brochures which provide information on Medicaid fraud as well as elder and patient abuse and neglect;
- Refine internal operating procedures designed to produce timely investigative results and maximize Unit resources in order to promote efficient and thorough strategies for each case;
- Promote effective communication between the Unit and DMAS, thereby increasing the number and quality of referrals;
- Maintain the highest standards of excellence through aggressive training on current fraud trends and law enforcement tools in an attempt to better combat fraud in the Medicaid program; and
- Provide assistance related to nationwide civil and criminal healthcare fraud matters.

Flags presented at the Wall of Honor Ceremony on May 26, 2011 at the Virginia State Capitol.

JUNE 30, 2011

The Honorable Kenneth T. Cuccinelli, II
Attorney General

Charles E. James, Jr.
Chief Deputy Attorney General

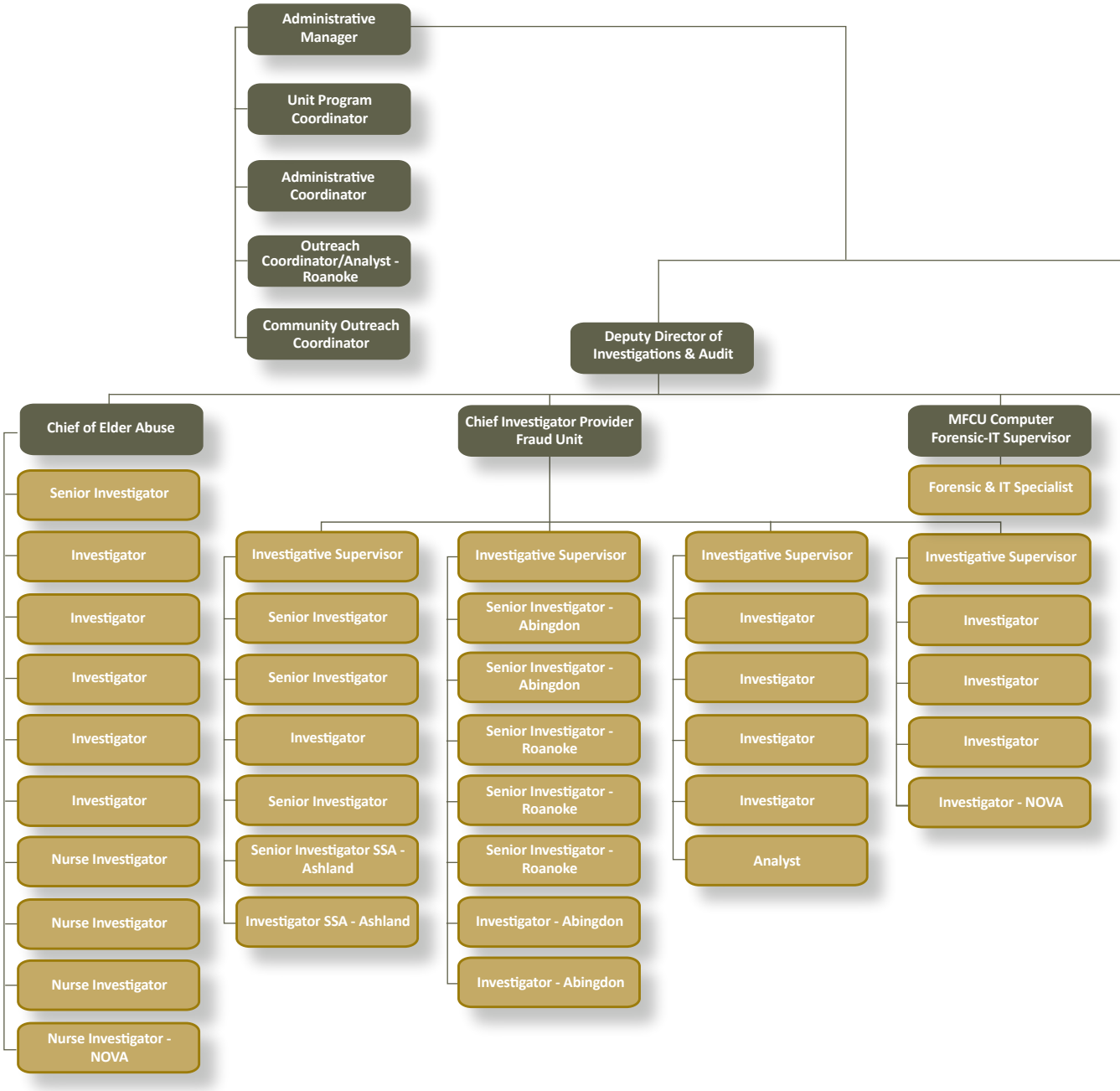
G. Michael Favale
Deputy Attorney General
Public Safety and Enforcement Division

Randall L. Clouse
Director and Chief
Health Care Fraud and Elder Abuse Section

Steven T. Buck
Chief Section Counsel
Health Care Fraud and Elder Abuse Section

Left to right, clockwise: Director and Chief Randall L. Clouse, Assistant Attorney General Joseph E.H. Atkinson, Assistant Attorney General Adele M. Neiburg, Deputy Director of Prosecutions and Litigation Michael T. Judge, Assistant Attorney General Elizabeth L. Fitzgerald, Assistant Attorney General Kevin C. Nunnally, and Chief Prosecutor David W. Tooker.

Organizational Chart



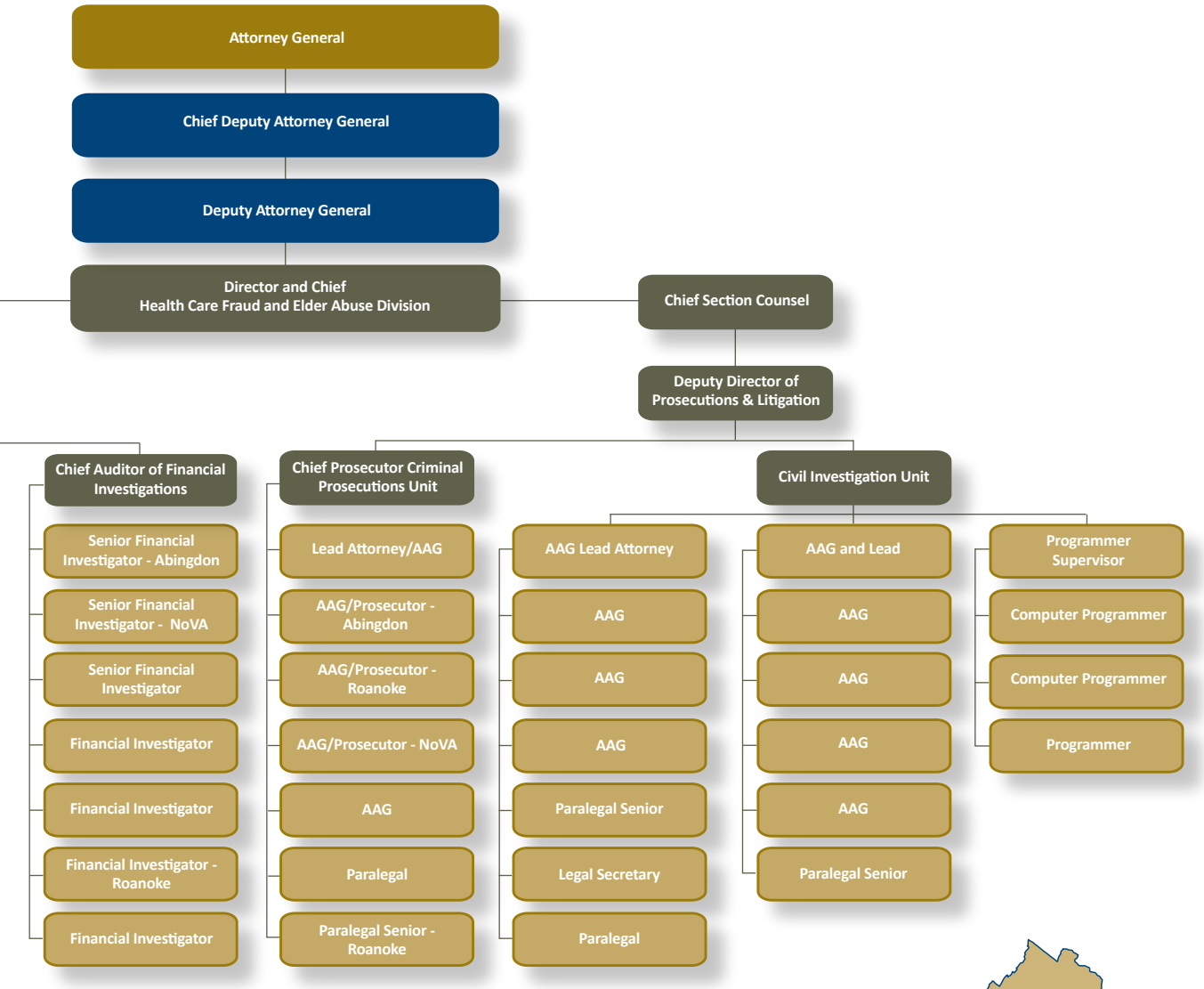
OFFICE OF THE ATTORNEY GENERAL

PUBLIC SAFETY AND ENFORCEMENT DIVISION

HEALTH CARE FRAUD AND ELDER ABUSE SECTION

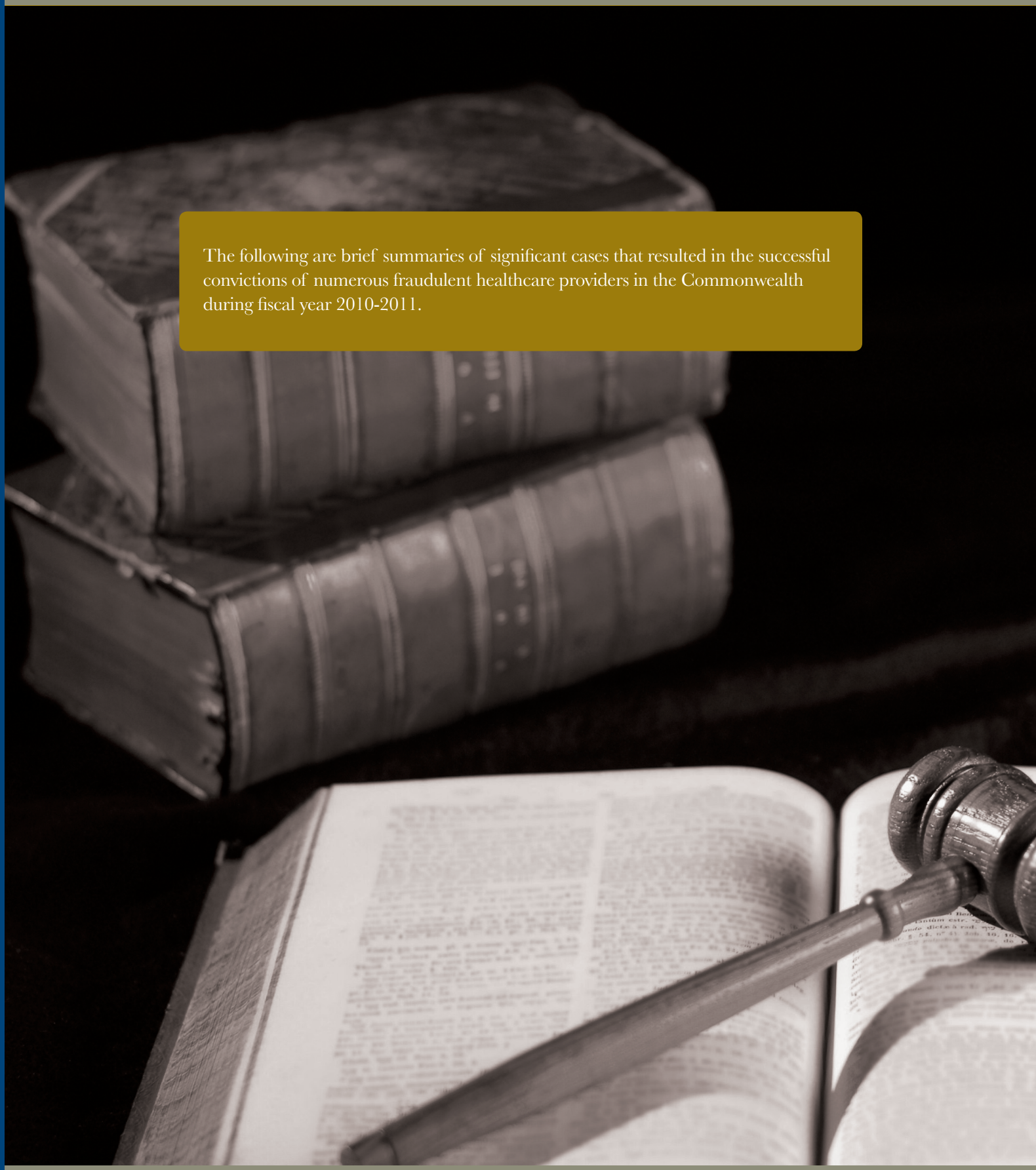
MEDICAID FRAUD CONTROL UNIT

JUNE 30, 2011



MEDICAID FRAUD CONTROL UNIT

VIRGINIA OFFICE OF THE ATTORNEY GENERAL



The following are brief summaries of significant cases that resulted in the successful convictions of numerous fraudulent healthcare providers in the Commonwealth during fiscal year 2010-2011.

The defendant was a Richmond-based personal care service provider. In a signed statement of facts, the defendant acknowledged that, from July 1, 2001, through December 16, 2007, he allowed personal care aides (PCAs) to forego training or "test out" of the Medicaid-required 40-hour PCA training programs. The defendant then placed the untrained PCAs in Medicaid recipients' homes and billed Medicaid for the "service" provided. He was charged with obtaining money by false pretenses. Pursuant to a plea agreement, the defendant pled guilty in Richmond Circuit Court and was sentenced to 20 years imprisonment, suspended; was fined $25,500.00; and ordered to pay restitution of $180,082.00 to the Commonwealth. He was also excluded from being a provider for any state or federal health care programs in the future.

The defendant was sentenced in the United States District Court for the Eastern District of Virginia to 55 months in prison for submitting false and fraudulent claims for reimbursement to the Virginia Medicaid program. The defendant falsely claimed she provided intensive in-home therapy services for children and adolescents. Intensive in-home therapy services, one of the many mental health services offered by Medicaid in Virginia, are designed to assist youth and adolescents who are at risk of being removed from their homes, or are being returned to their homes after removal, because of significant mental health, behavioral, or emotional issues. Medicaid requires that intensive in-home therapy providers employ qualified mental health workers to provide a medically necessary service to at-risk children and adolescents. The defendant billed Medicaid for services that were not reimbursable because the services did not address a child's specific mental health issues, were not provided by qualified mental health workers, and were not provided to children who were in actual need of the offered service. The defendant also billed Medicaid for services that were never provided. As part of her sentence, the defendant was ordered to pay $601,580.00 in restitution to the Medicaid program.

The defendant was convicted upon her plea of guilty in the Prince William Circuit Court on one charge of making false statements in an application for payment in violation of Va. Code § 32.1-314. She was sentenced to three years in jail, with said sentence suspended, and was placed on probation for two years. She was also ordered to make restitution in the amount of $2,524.00. The defendant was a consumer-directed home health care aide who was hired by and subsequently fired by the recipient. After she was fired, the defendant continued to bill Medicaid for home health services for several months by forging the recipient's name on her weekly time card.

The defendant pled guilty to one count of health care fraud (18 U.S.C. § 1347) in federal court. The defendant was sentenced to 60 months in prison and was ordered to pay $774,763.44 in restitution to the Medicaid program. A joint MFCU-FBI investigation revealed that the defendant owned and operated a Medicaid-contracted provider of home health services. While running the business, the defendant submitted claims for reimbursement for services that were never provided. In addition, evidence was presented to show that the defendant used the fraudulently obtained money from her home health business to make restitution payments imposed from a previous health care fraud conviction. The MFCU previously investigated and prosecuted the defendant in federal court for committing health care fraud in another Medicaid-contracted medical supply business. The defendant pled guilty to one count of health care fraud and was sentenced to 40 months in prison for that charge.

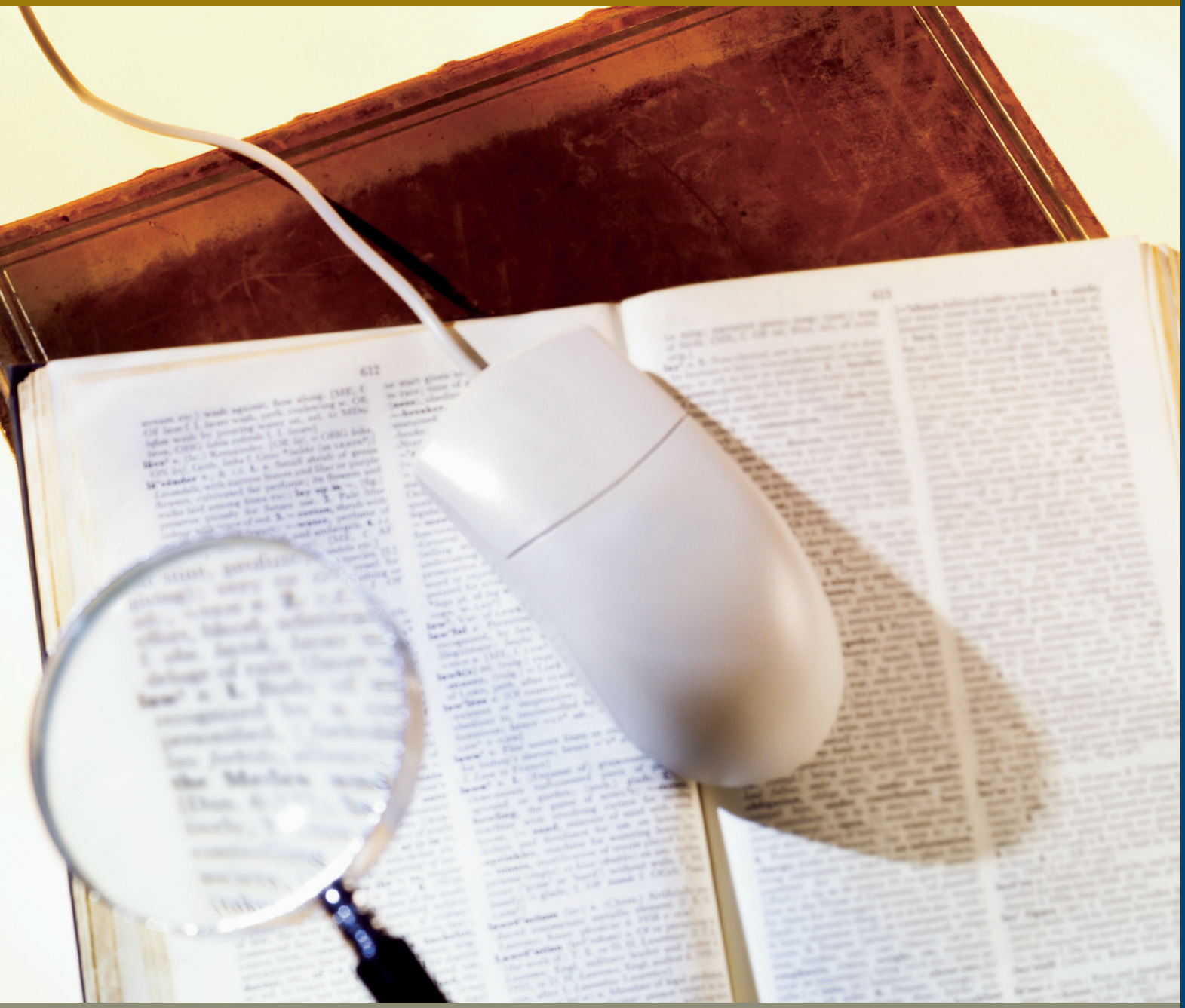
The defendant was sentenced in United States District Court for the Western District of Virginia to a prison term of 27 months on charges of health care fraud. The defendant was ordered to pay restitution to the Medicare Program in the amount of $139,270.25 and $30,261.10 to Anthem (a total of $169,531.35). The defendant was the office manager of an ambulance service and was part of a fraud scheme in which employees transported patients that were ambulatory (in some instances the patients would ride in the front of ambulances or in taxi cabs). All of the dates were billed as basic life support transport.

The defendant pled guilty in Arlington County Circuit Court to two counts of forgery, in violation of Va. Code § 18.2-172. The defendant was sentenced to two years in prison, suspended. The defendant, a respiratory therapist, was one of 11 defendants charged with criminal violations related to the care of an incapacitated resident at a Virginia nursing home. The defendant was given two years of probation and ordered to perform 75 hours of community service. As part of his plea, the defendant agreed to assist in the prosecution of the remaining respiratory therapists who are facing trial.

The defendant was convicted in the United States District Court for the Eastern District of Virginia for conspiracy to distribute a controlled substance, sentenced to serve 60 months in jail, and placed on probation for a period of 36 months upon his release. The defendant was never an actual doctor, but pretended to be one as part of a scheme in which he acted as a licensed physician and would write prescriptions for patients for narcotics and administer infusions. Concerning the infusions that were provided, the patients rarely received the full amount of medication that was billed to the insurance companies, Medicare, or Medicaid.

Director and Chief, MFCU, Randall L. Clouse and Deputy Attorney General G. Michael Favale of the Public Safety and Enforcement Division.

The defendant was employed as a licensed practical nurse at a nursing home and was charged with forgery for falsifying patient records related to the provision of care for nursing home residents. The defendant was convicted of all four charges and sentenced to three years' incarceration with two years suspended on each charge. The court ordered that the remaining one year for each count run concurrently, leaving a one year active incarceration term. Upon release, the defendant will be placed on supervised probation for three years. The defendant filed an appeal challenging the sufficiency of the evidence. The imposition of her sentence was stayed pending resolution of the appeal.



CRIMINAL

JULY 1, 2010 – JUNE 30, 2011

Category	Carried Over	Opened	Closed	Pending
Institutions				
Nursing Facilities	1	0	0	1
Hospitals	0	0	0	0
Other Institutions	1	0	0	1
Practitioners				
MD/OD	4	0	2	2
Dentists	0	0	0	0
Podiatrists	1	0	0	1
Psychiatrist/Psychologist	7	2	3	6
Other	0	7	6	1
Medical Support				
Pharmacy	1	0	0	1
Durable Medical Equipment	2	3	2	3
Laboratories	0	0	0	0
Medical Transportation	3	3	1	5
Home Health Agencies	18	1	6	13
Rehabilitation Therapists	2	0	0	2
Others	2	1	0	3
Patient Abuse and Neglect				
Patient Abuse	3	9	6	6
Corporate Neglect	4	7	3	8
Patient Funds				
Patient Funds	2	3	3	2
Total	51	36	32	55

OFF-LABEL MARKETING & KICKBACKS

The MFCU, along with the federal government and other states, settled allegations that a pharmaceutical manufacturer: (1) employed illegal off-label marketing and kickback schemes to promote sales of anti-depressant drugs; and (2) caused false claims to be submitted to state Medicaid programs through sales of a drug that did not qualify as a covered outpatient drug (as defined in 42 U.S.C. § 1396r-8(k)(2)). The drugs involved are members of a class of drugs known as Selective Serotonin Reuptake Inhibitors (SSRIs). The U.S. Food and Drug Administration (FDA) approved the drugs for the treatment of depression in adults. From January 1998 through December 2005, the company promoted the off-label sale and use of the drugs for treatment of depression in pediatric patients, an indication which was not approved by the FDA. The company also offered and paid kickbacks to health care professionals as an inducement to promote and prescribe Celexa and Lexapro.

The company agreed to plead guilty to one felony count of obstructing justice, one misdemeanor count of distributing an unapproved drug in interstate commerce, and one misdemeanor count of distributing a misbranded drug in interstate commerce. Under the plea agreement, the company paid a federal criminal fine of $150 million and forfeit an additional $14 million in assets to the federal government. The civil settlement returned approximately $149 million to state and federally funded healthcare programs, including Medicaid. Virginia's federal and state share of the settlement is $1,928,878.94, of which the state share is $958,272.88.

The MFCU, along with the federal government and states, settled allegations against a second pharmaceuticals company raised in several *qui tam*s actions which allege that it violated the federal False Claims Act and analogous state *qui tam* statutes by engaging in off-label marketing and paying kickbacks to doctors for favoring several of its products.

The settlement amount includes civil damages as well as criminal fines and penalties. The total criminal and civil settlement amount is $422.5 million. As to the criminal component, the company entered a guilty plea to a misdemeanor charge of misbranding (21 U.S.C. §§ 331(a), 333(a) of the Food, Drug and Cosmetic Act) and paid $185 million in combined fines and forfeitures. It also agreed to pay $237.5 million, plus interest, to settle the civil complaints. The total civil settlement includes damages for Medicaid, Medicare, and other federal government programs. Virginia's federal and state share of the settlement is $2,667,934.59, of which the state share of the settlement is $1,288,646.19.

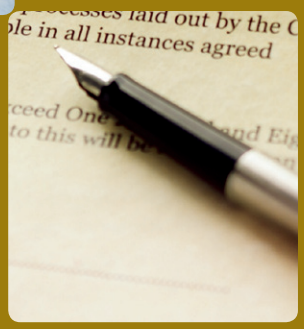
MFCU's Civil Unit: (from left to right)
(standing): Jerome Jackson, Natalie Mihalek, Lelia Winget-Hernandez, Clay Garrett, Alex Terry, Adele Neiburg, Kristy Knighton, Elizabeth Fitzgerald, (seated): Heather Blanchard, Latarsha Tyler, Alice Armstrong, Candice Hooper, Kim Bolton, Erica Bailey.

BILLING FOR ADULTERATED DRUGS

The MFCU, along with the federal government and other states, settled allegations that a pharmaceutical company submitted or caused to be submitted false claims for several adulterated drug products it manufactured. The Food, Drug and Cosmetic Act (FDCA) prohibits the introduction or delivery for introduction into interstate commerce any adulterated drug. Under the FDCA, a drug is deemed adulterated if the methods used in, or the facilities or controls used for, its manufacturing, processing, packing or holding did not conform to or were not operated or administered in conformity with current good manufacturing practice to assure that such drug met the requirements as to safety, had the identity and strength, and met the quality and purity characteristic, which it purported or was represented to possess.

Specifically, from January 1, 2001, through April 1, 2005, the company, through wholly-owned subsidiaries, employed improper manufacturing activities at a facility. The government's investigation established a pattern of misconduct that included chronic deficiencies in the quality assurance function at the facility and ongoing violations of laws and regulations designed to ensure the fitness of drug products for use. The drugs produced at the facility, therefore, were not "covered" drugs for purposes of federal reimbursement. As such, the company presented or caused to be presented false or fraudulent claims for payment or approval for such drugs to Medicare, Medicaid and other government health programs for the purpose of defrauding the government. As part of the global resolution of the case, a subsidiary plead guilty to a felony charge of misbranding, based on the company's failure to maintain Food and Drug Administration mandated conditions for manufacturing at the facility and will pay criminal fines and forfeitures in the amount of $150 million.

The settlement released the company from civil liability based on misconduct at the facility, including releasing to the market packaged drug products that were sub-potent or super-potent, lacked the active ingredient, and/or that were contaminated with microorganisms. The total civil settlement was $600 million, of which $348 million is designated as Medicaid Program Recovery. The remaining $252 million is designated for other federal programs damaged by the company's conduct (including the Veterans Administration, the Department of Defense and the Office of Personnel Management). The Medicaid portion is based on fee-for-service claims and represents a double damages recovery. The civil and criminal settlement returned approximately $750 million to state and federally funded healthcare programs, including Medicaid. Virginia's federal and state share of the settlement is $4,836,643.84, of which the state share of the settlement is $2,346,469.12.



CIVIL

JULY 1, 2010 – JUNE 30, 2011

Category	Carried Over	Opened	Closed	Pending
Institutions				
Nursing Facilities	0	1	0	1
Hospitals	1	2	0	3
Other Institutions	0	2	0	2
Practitioners				
MD/OD	1	1	1	1
Dentists	1	1	0	2
Podiatrists	0	0	0	0
Psychiatrist/Psychologist	0	0	0	0
Other	2	1	2	1
Medical Support				
Durable Medical Equipment	15	21	4	32
Laboratories	10	4	3	11
Pharmaceutical Companies	156	64	38	182
Medical Transportation	0	0	0	0
Home Health Agencies	2	0	0	2
Rehabilitation Therapists	0	2	1	1
Others	7	1	0	8
Patient Abuse and Neglect				
Corporate Neglect	1	0	1	0
Total	196	100	50	246

Case Activity Summary

THE FOLLOWING IS A BRIEF STATISTICAL SUMMARY OF CASES INVESTIGATED FROM **JULY 1, 2010** THROUGH **JUNE 30, 2011**

Cases		
Cases carried over		247
Cases opened	Criminal	36
	Civil	100
Total		136
Cases Closed	With criminal resolution	9
	With civil resolution	8
	Insufficient evidence/no further action	65
Total		82
Total cases pending (criminal and civil)		301
Criminal Prosecution/Recovery		
	Indicted cases pending	7
	Indictments	12 individuals
	Convictions	11 individuals
	Dismissed	6 individuals
	Acquittals	2 individuals
	Total length of probation	624 months
	Total incarceration time	672 months
	Total suspended incarceration time	444 months
	Total hours of community service	180 hours
	Providers terminated from program upon conviction	11
Criminal Recovery		
	Ordered restitutions, reimbursements, criminal fines and interest, asset forfeiture, monetary penalties	$1,740,494.02
Civil Recovery - including Affirmative Civil Enforcement (ACE)		
	Settlement/Reimbursements received	$12,833,294.99
	Investigative costs received	$0
Total		$14,573,789.01

Elder Abuse and Neglect Squad

The Elder Abuse and Neglect Squad of the MFCU investigates allegations of abuse or neglect of elderly and incapacitated adults receiving Medicaid benefits in the Commonwealth. As a result of a widespread networking effort including Adult Protective Services, local ombudsmen, law enforcement, and Commonwealth's Attorneys, collegial relationships have developed and referrals are arriving at a fast pace. The Elder Abuse and Neglect Squad strives to ensure rapid response to referrals, effective investigations, and successful outcomes that will ensure Virginia's vulnerable adults receive the highest quality of care possible in both home and institutional settings.

Unit Projections

The MFCU has an outstanding working relationship with state, local and federal agencies. Some of the key partner agencies are the Department of Medical Assistance Services, the Offices of the United States Attorney for the Eastern and Western Districts of Virginia, the Federal Bureau of Investigation, the United States Department of Health and Human Services' Office of Inspector General, the Internal Revenue Service's Criminal Investigation Division, the Virginia Department of Health, the Virginia Department of Social Services, and local law enforcement. Attorney General Cuccinelli's approach to the investigation of major fraud cases, in conjunction with other state, local and federal agencies, contributed to the positive results obtained by the Unit this year.

At the end of the 2010-2011 reporting year, the Unit had 55 active criminal investigations of healthcare providers located throughout the Commonwealth. In addition, 12 people have been indicted and are awaiting trial or sentencing in federal court. The Civil Investigations Squad has opened 100 new civil cases.

The Unit will continue to participate in joint federal and state task forces to investigate and develop complex cases dealing with provider fraud in the fee-for-service community and the institutional neglect cases of patients in nursing homes. The Unit will also continue to work closely with the Offices of the United States Attorney for the Eastern and Western Districts of Virginia, and the Affirmative Civil Enforcement Program to pursue fraudulent Medicaid providers through the Federal False Claims Act and the Virginia Fraud Against Taxpayers Act. During state fiscal year 2011-2012, the Unit projects that the investigative, prosecutive, and civil recovery efforts will result in 15 convictions, with combined criminal and civil recoveries of more than $27,000,000.00.

Community Outreach Coordinator J. Randall Davis and Judy Schwerdtfeger at Henrico Triad

Projections for 2011-2012 Fiscal Year

Category	Closed	Pending
Institutions		
Elder Abuse	4	7
Nursing Homes/Corporate Neglect	3	9
Hospitals	2	3
Home Health Agencies	4	7
Practitioners		
Dentists	0	1
Doctors	0	5
Psychiatrist/Psychologist	0	2
Other	9	26
Medical Support		
Durable Medical Equipment	4	34
Laboratories	1	11
Pharmacies/Pharmaceuticals	40	182
Medicaid Transportation	1	3
Rehabilitation Therapists	0	0
Total	68	290

Projected Criminal and Civil Recoveries	$27,000,000.00
Projected Criminal Convictions and Civil Recoveries	15

Unit Program Coordinator
Patricia C. Lewis

Unit Performance

In 1982, the United States Department of Health and Human Services certified the Virginia MFCU as the nation's 31st Medicaid Fraud Control Unit. Over the past 29 years, the Virginia MFCU has been responsible for the successful prosecution of more than 274 providers in cases that involved patient abuse and neglect or the commission of fraudulent acts against the Virginia Medicaid program. In addition to prosecuting those responsible for healthcare fraud and/or abuse, the Unit has court-ordered recoveries of $795,551,527.22 in criminal court-ordered restitution, fines and penalties, asset forfeiture, civil judgments, and settlements.

The Medicaid Fraud Control Unit was extremely successful in fiscal year 2010-2011, particularly through its participation in multi-agency investigations. The Unit ended the fiscal year with 11 individuals convicted and total court-ordered recoveries from criminal and civil investigations of $14,573,789.01

Left: Chief Section Counsel Steven T. Buck, Chief Prosecutor David W. Tooker and Deputy Director of Investigations and Audit Paul N. Anderson

Below: Director and Chief Randall L. Clouse and Deputy Director of Investigations and Audit Paul N. Anderson

Social Security Task Force. The MFCU continues to participate in a pilot project with the Social Security Administration that investigates allegations of disability fraud involving the Social Security and Medicaid programs. This program began in 2003 and has been successful in its ongoing mission. The Social Security Administration pays all costs incurred by the MFCU, including salaries, benefits, and investigative costs. By preventing unqualified persons from receiving Social Security disability benefits, the task force saves the expenditure of unwarranted Medicaid funds. The task force finished the year with a five-year projected savings to the Virginia Medicaid program of more than $9.5 million and a savings to the Social Security program of $13,699,000.00.

Unit Growth. In the last fiscal year, the Unit received approval to hire 25 additional personnel to more effectively investigate allegations of fraud in the Virginia Medicaid program and pharmaceutical industry, as well as complaints of elder abuse and neglect in nursing homes. Most of the 25 personnel have now been hired, trained and are actively working on cases. The MFCU has also taken a leading role in many multi-state cases including a large case which should come to fruition in the next fiscal year.

Community Outreach Initiative.

"Over the past decade, there has been a 94 percent increase in reports of elder abuse to local departments of social services in Virginia. It is crucial that everyone in the community learn about elder abuse." - Michelle L. Stevenson, Ph.D. Gerontology specialist; Virginia Tech. Based on a publication by Pamela B. Teaster and Joy O. Duke, May 1, 2009

By expanding outreach efforts to seniors, law enforcement and senior citizen service providers, MFCU is now helping to inform the community on the latest methods proven to effectively prevent and/or report elder abuse and provide an additional resource for investigation referrals. MFCU's Community Outreach Coordinators in Richmond and Roanoke are establishing and strengthening programmatic partnerships between MFCU and community organizations, government agencies, academic institutions and law enforcement personnel working with Virginia's senior population. MFCU is developing a working group comprised of MFCU staff, prosecutors, ombudsmen, social services, police, adult protective services, and other organizations that will work together on issues of elder abuse and neglect. The goal is to share information and work cooperatively among different types of agencies. This group will then be used as a best practices model that can be replicated throughout the Commonwealth on how to organize the same type of group in different jurisdictions.

Community Outreach Coordinator J. Randall Davis provides information on Elder Abuse and Neglect to a group in Powhatan, VA.

Memberships. The MFCU Director and Chief has continued to serve on the Department of Health Professions Prescription Drug Monitoring Board and this year was re-elected Vice-Chairman. The MFCU Director and Chief is a member of the National Association of Medicaid Fraud Control Unit's (NAMFCU's) Global Case committee and Performance Standards Working Committee. The MFCU Director and Chief is also Co-Chairman of NAMFCU's Personnel Committee. A Deputy Director of the MFCU continues to serve as a member of the NAMFCU Training Committee. He is an instructor at both the introductory and practical skills NAMFCU Medicaid Fraud Training programs. Our Chief of the Elder Abuse and Neglect Squad serves on the advisory board of the Virginia Senior Fraud Patrol Project, for which the Virginia Association of Area Agencies on Aging received a three-year grant from the Administration on Aging. The intent of the project is to provide a Senior Fraud Patrol of volunteer professional retirees trained to identify Medicare and Medicaid fraud. Members of the squad are available to provide presentations regarding Medicare and Medicaid fraud to community groups. The Chief also sits on the Education Committee for the National Adult Protective Services Association.

The Virginia Attorney General's Office has a new tool to promote the accomplishments of the men and women working in the Medicaid Fraud Control Unit.

VIRGINIA MFCU FACEBOOK PAGE

Virginia Attorney General's Medicaid Fraud Control Unit (MFCU)

www.facebook.com/VAMFCU

Facebook is a social networking service and website with more than 750 million active users, primarily through Facebook profiles. Facebook pages are used by organizations and businesses to broadcast information in an official, public manner to people who choose to connect with them.

The Virginia Medicaid Fraud Control Unit's Facebook page can be accessed at: www.facebook.com/VAMFCU. Please visit the site often, and remember to click on the "**Like**" button to receive updates.

In addition to up-to-the-minute news on MFCU activities on the "wall," the page features links to basic information about MFCU, a calendar of upcoming MFCU outreach presentations, photos from MFCU events, MFCU-related videos, and links to brochures, news releases, quarterly newsletters, annual reports, etc. We also occasionally ask questions of those who visit our page through a non-scientific survey.

FISCAL YEARS 1982 THROUGH 2011

TOTAL CRIMINAL AND CIVIL RECOVERIES, INCLUDING AFFIRMATIVE CIVIL ENFORCEMENT CASES (ORDERED AND COLLECTED REIMBURSEMENTS, FINES, RESTITUTIONS)

FISCAL YEAR	TOTAL RECOVERIES
July 82 - June 83	$5,600.00
July 83 - June 84	$19,600.00
July 84 - June 85	$15,300.00
July 85 - June 86	$13,522.00
July 86 - June 87	$82,136.00
July 87 - June 88	$114,443.00
July 88 - June 89	$237,583.00
July 89 - June 90	$322,547.00
July 90 - June 91	$312,207.00
July 91 - June 92	$205,370.00
July 92 - June 93	$387,064.00
July 93 - June 94	$416,966.00
July 94 - June 95	$400,280.00
July 95 - June 96	$1,281,129.00
July 96 - June 97	$2,275,542.00
July 97 - June 98	$1,053,099.00
July 98 - June 99	$2,577,045.00
July 99 - June 00	$1,480,345.00
July 00 - June 01	$37,612.00
July 01 - June 02	$12,081,532.00
July 02 - June 03	$11,848,871.00
July 03 - June 04	$14,358,790.00
July 04 - June 05	$10,578,111.00
July 05 - June 06	$9,071,043.00
July 06 - June 07	$117,704,247.00
July 07 - June 08	$541,099,617.00
July 08 - June 09	$27,607,670.00
July 09 – June 10	$25,390,467.21
July 10 - June 11	$14,573,789.01
TOTAL:	$795,551,527.22

Four Year Recovery Statistics Per Filled MFCU Position

MFCU recovered an average of $152,167,885.81 per year over the past four years. The MFCU has averaged 56 staff members per year over the past four years. The recovery average per filled MFCU position for the past four years is $2,717,283.68 per person.

FOUR-YEAR* AVERAGE RECOVERED

PER NUMBER OF STAFF (PER YEAR)

Reporting Periods	Total Number of Employees (Each Year)	Number of Employees – Four-Year Average
July 2, 2007-June 30, 2008	43	
July 1, 2008-June 30, 2009	49	
July 1, 2009-June 30, 2010	52	
July 1, 2010-June 30, 2011	80	
		56

Four-Year Recovery Average (per year)	Number of MFCU Staff-Four-Year Average	Four-Year Average Recovered Per Position (per year)
$152,167,885.81	56	$2,717,283.68

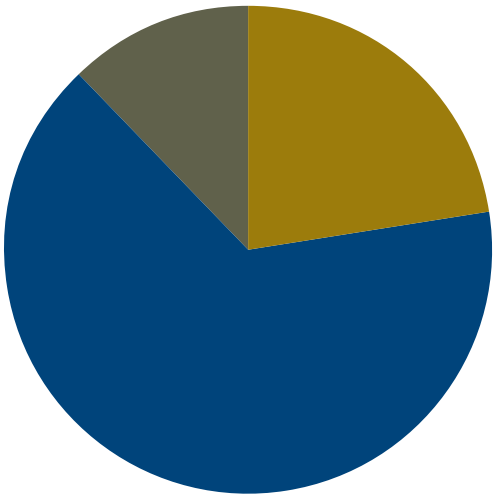
The four-year (2007-2010) recovery average for the Virginia MFCU is $152,167,885.81 per year.

* Since a typical health care fraud case takes two to three years to complete, a fair and accurate performance measure of recoveries for a state MFCU would be to conduct a three-year statistical analysis of recoveries. Since a typical *qui tam* multi-state case takes four years to complete, a fair and accurate performance measure of those few state MFCU's that investigate and prosecute/litigate those cases would be to conduct a four-year statistical analysis of recoveries. Since the Virginia MFCU consistently conducts those large cases, a four-year statistical analysis is provided.

2010-2011 Expenditures

JULY 1, 2010 - JUNE 30, 2011

Non-General Fund*	$1,737,794.77
Federal Grant	$4,986,893.30
Indirect Costs	$ 924,734.04
TOTAL	$7,649,422.11

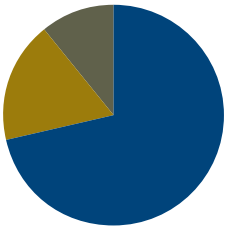


- Non-General Fund .....$ 1,737,794.77
- Federal Grant.....$ 4,986,893.30
- Indirect Costs.....$ 924,734.04

Paralegal Kimberly Wilborn and Administrative Coordinator Hamilton Roye

* Funds provided as a result of criminal convictions.

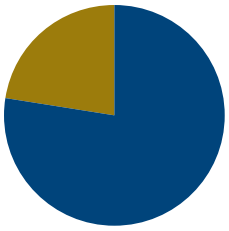
Proposed 2011-2012 Budget



Total Budget

$9,719,327.46

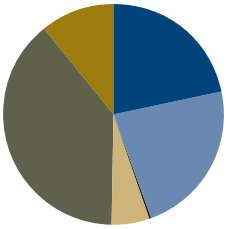
- Personnel Expense **$6,965,002.52**
- Non-Personnel Expense **$1,714,798.31**
- Indirect Cost **$1,039,526.63**



Personnel Expense Total

$6,965,002.52

- Salaries **$5,404,544.50**
- Benefits **$1,560,458.02**



Non-Personnel Expense Total

$1,714,798.31

- Travel ..... **$ 376,251.25**
- Equipment/ Improvements ..... **$ 390,454.00**
- Special Payments..... **$ 0.00**
- Supplies and Materials ..... **$ 97,343.06**
- Contractual Expenses ..... **$ 667,000.00**
- Other Expenses..... **$ 183,750.00**

Category	Budgeted Amount
Personnel Expenses	
A. Salaries	$5,404,544.50
B. Benefits	$1,560,458.02
Personnel Expense Total	$6,965,002.52
Non-Personnel Expenses	
A. Travel	$376,251.25
B. Equipment/Improvements	$390,454.00
C. Special Payments	$0.00
D. Supplies and Materials	$97,343.06
E. Contractual Expenses	$667,000.00
F. Other Expenses	$183,750.00
Non-Personnel Expense Total	$1,714,798.31
Indirect Cost (19.90%)	
Indirect Cost Total	$1,039,526.63
Grand Total	$9,719,327.46

Training

The Unit is committed to an aggressive training program for all staff members as a means of improving knowledge and skills to ensure the highest quality and most efficient investigations and prosecutions.

In order to achieve and maintain a high level of productivity from all staff members, training and continuing education have been built in to staff development. Unit members have participated in programs selected to meet their individual and professional requirements, as well as to meet the needs of the Unit as a whole. The following are brief descriptions of training programs attended by MFCU staff. A chart indicating dates and who attended is included in this report.

Many of our Unit members also provided training to various groups. A description of those presentations, as well as a chart of dates and presenters, follows.

Administrative, Training and Outreach Training. Provided updates on policies and procedures, timekeeping, travel regulations, upcoming training opportunities, case management and outreach efforts to receive more referrals.

Anatomy of Civil Cases. Discussed the anatomy of civil fraud investigation from case intake through settlement, evidence that MFCU reviews to prosecute civil fraud cases and the role of investigators.

Ashland/Hanover County TRIAD Meeting. Provided information on reporting Medicaid fraud, elder abuse and neglect.

Assessment of Decisional Capacity in a Context of Abuse. Provided an overview of capacity assessment in abused adults.

Buckingham County TRIAD Meeting. Provided information on reporting Medicaid fraud, elder abuse and neglect.

Caroline County TRIAD Meeting. Provided information on reporting Medicaid fraud, elder abuse and neglect.

Chesterfield County TRIAD Meeting. Provided information on reporting Medicaid fraud as well as elder abuse and neglect.

Commonwealth's Attorney's Services Council 2011 Spring Institute Program. Provided information on ethics for prosecutors, legislative updates, appellate updates, impeachment and character evidence, cross examination of defense experts, elder abuse, venue and speedy trial, motions to suppress, gathering and presenting electronic evidence.

Computer Forensics. Provided an overview on computer forensics, seizing computers, computer evidence and chain of custody.

Computer Technology. Provided information on MFCU's computer upgrades and upcoming changes that will allow MFCU to capture and store data more efficiently.

Courts 101. Provided an overview of federal and state court, explained basic structure of the criminal justice system, how felony charges are brought, and relevant rules of discovery. Also discussed limitations on political activity by MFCU employees under the Hatch Act, 5 U.S.C. § 1502.

Dealing with Represented Parties. Discussed legal and ethical limitations on interviewing witnesses who may be represented by corporate counsel.

Elder Abuse and Neglect. Provided an overview of the squad, the type of cases that it investigates, recent litigated cases and trends.

Ethical Issues in Elder Law. Provided information on the dynamics of health care fraud from competing perspectives.

Fluvanna County TRIAD Meeting. Provided information on reporting Medicaid fraud, elder abuse and neglect.

Greene County TRIAD Meeting. Provided information on reporting Medicaid fraud, elder abuse and neglect.

Handling Evidence. Provided an introduction to newly-adopted procedures for evidence handling within the MFCU and provided a tour of the new MFCU evidence room.

Henrico County TRIAD S.A.L.T. (Seniors and Law Enforcement Together) Council Meeting. Provided information on expansion of MFCU outreach efforts to seniors, law enforcements and senior citizen service providers on elder abuse as well as provided updates on related legislation introduced in the 2011 General Assembly.

How to Identify and Report Medicare and Medicaid Fraud. Provided information on the differences between Medicare/Medicaid, history of the MFCU, why to report Medicaid fraud, and ways to recognize and report Medicaid fraud.

Investigating and Prosecuting Elder Abuse and Neglect Cases. Provided an overview of the role of the MFCU in investigating and prosecuting elder abuse and neglect cases to the regional coordinators meeting for Adult Protective Services.

Investigations. Provided an overview of maintaining evidence, case files, MFCU history, organizing computerized case files, types of cases, joint investigations, and general information about investigations.

Multi-State *Qui Tam* Litigation Training. Provided training on off-label cases, best price/pricing cases, kickback cases, parallel investigations/prosecutions, mapping the investigation, data and team building, documents and interviews, litigation, experts, protective and discovery orders, venues, sharing costs, and resources.

National Association of Medicaid Fraud Control Unit's 2010 Annual Training Program. Provided information on the most common fraud schemes and different investigative strategies pertaining to durable medical equipment.

National Association of Medicaid Fraud Control Unit's Medicaid Fraud 102 Training. Provided workshops on mental health, nursing home cost report fraud, resident neglect, durable medical equipment and dental cases.

National Association of Medicaid Fraud Control Unit's Resident Abuse Training Program. Provided training on investigating and prosecuting neglect in community-based care settings.

Obtaining the Evidence. Discussed how to obtain evidence in a criminal fraud or elder abuse case. Covered case openings, analyzing information and documents, search warrants and what is needed to bring a case to a successful outcome.

Office of the Attorney General's Brown Bag Luncheon Series for Interns. Provided information on history of Virginia MFCU, investigations, prosecuted cases, elder abuse and neglect information and general information about MFCU.

Overview of Virginia MFCU. Provided information to new employees on history of Virginia MFCU, important cases, and pending cases and investigations.

Powhatan County TRIAD Meeting. Provided information on reporting Medicaid fraud, elder abuse and neglect.

Public Assistance Investigators of Virginia. Presented information on provider fraud and the types of cases investigated and litigated by the MFCU.

Recognizing and Reporting Medicaid Fraud. Presented on tips for recognizing fraud and the importance of reporting suspected fraud.

Richmond TRIAD Senior Day. Provided information on reporting Medicaid fraud and elder abuse or neglect.

Top Gun XIX: Investigation and Prosecution of Drug Case in Virginia. Presented on search warrant critiques, use of K-9 I drug investigation, discovery, and ethical considerations regarding exculpatory evidence.

Virginia Medicaid Fraud Control Unit Annual In-Service Training. MFCU staff provided training on Suboxone cases, postal inspection service/mail fraud/mail covers, legislative updates, calculating and proving fraud loss, electronic files, and kickbacks.

Virginia Sheriff's Association Spring Conference. Provided information on the work of the MFCU and how to refer cases to MFCU.

Director and Chief Randall L. Clouse providing information on the work of the MFCU to law students.

Dates and Personnel Providing Training

Date	Program	Personnel
7/8/10	Office of the Attorney General's Brown Bag Luncheon Series for Interns	Director and Chief
8/12/10	Public Assistance Investigators of Virginia	Investigative Supervisor Chief Investigator
10/5/10	Anatomy of Civil Cases	Chief of Civil Unit
10/5/10	Administrative, Training and Outreach	Administrative, Training and Outreach Manager Procurement Officer Unit Coordinator Administrative Coordinator Outreach Coordinator
10/5/10	Overview of Virginia MFCU	Director and Chief of Health Care Fraud and Elder Abuse Section
10/5/10	Elder Abuse and Neglect	Chief of Elder Abuse
10/5/10	MFCU Investigations	Chief Investigator Chief Auditor of Financial Investigations
10/5/10	Protecting Confidential Health Information	Assistant Attorney General
10/6/10	Computer Overview	Forensic Information Technology Supervisor
10/6/10	Obtaining the Evidence	Investigative Supervisor Assistant Attorney General
10/6/10	Courts 101	Chief Prosecutor Chief Section Counsel
10/7/10	Handling Evidence	Evidence Manager/Analyst
10/24-29/10	National Association of Medicaid Fraud Control Units 2010 Annual Training Program	Deputy Director of Investigations and Audits
11/8/10	Dealing with Represented Parties	Chief Section Counsel
11/10/10	Investigating and Prosecuting Elder Abuse and Neglect Cases	Chief of Elder Abuse
2/9/11	How to Identify and Report Medicare and Medicaid Fraud	Investigative Supervisor Evidence Manager/Analyst
3/4/11	Ethical Issues in Elder Law	Assistant Attorney General
3/9/11	Computer Forensics	Computer Forensic/Information Technology Supervisor
3/16-17/11	Multi-State *Qui Tam* Litigation Training	Chief of Civil Unit 4 Assistant Attorneys General Investigative Supervisor Programmer Supervisor Senior Investigator Analyst
3/17/11	Chesterfield County TRIAD Meeting	Outreach Coordinator
4/5/11	Henrico County TRIAD/S.A.L.T. Meeting	Outreach Coordinator

Dates and Personnel Providing Training

Date	Program	Personnel
4/11-15/11	National Medicaid Fraud Control Unit's Medicaid Fraud 102 Training Program	Chief Auditor of Financial Investigations Deputy Director of Investigations and Audit Assistant Attorney General
4/13/11	Richmond TRIAD Senior Day	Community Outreach Coordinator
4/21/11	Virginia Sheriff's Association Spring Conference	Community Outreach Coordinator
5/3/11	Henrico County TRIAD/S.A.L.T. Meeting	Community Outreach Coordinator
5/4/11	Chesterfield County TRIAD Meeting	Outreach Coordinator
5/10/11	Fluvanna County TRIAD Meeting	Outreach Coordinator
5/11/11	Buckingham County TRIAD Meeting	Outreach Coordinator
5/12/11	Powhatan County TRIAD Senior Fair	Outreach Coordinator Administrative, Training and Outreach Manager
5/17-19/11	Virginia Medicaid Fraud Control Unit Annual In-Service Training	Chief Investigator 3 Assistant Attorneys General Investigative Supervisor Senior Investigator Chief Section Counsel
5/24/11	Caroline County TRIAD Meeting	Outreach Coordinator
5/24-27/11	Top Gun XIX: Investigation and Prosecution of Drug Case in Virginia	Chief Section Counsel
6/6-9/11	National Association of Medicaid Fraud Control Unit's Resident Abuse Training Program	Assistant Attorney General Chief Elder Abuse
6/9/11	Ashland/Hanover County County TRIAD Meeting	Outreach Coordinator
6/14/11	Fluvanna County TRIAD Senior Fair	Outreach Coordinator
6/15/11	Greene County TRIAD Meeting	Outreach Coordinator
6/16/11	Chesterfield County TRIAD Meeting	Outreach Coordinator
6/21/11	Identify and Report Medicaid Fraud	Outreach Coordinator

21st Annual National Adult Protective Services Association (NAPSA) Conference: Healing the Culture of Abuse. Topics included the adverse effects of elder abuse, cultural jeopardy in adult dependency and disability, abuse of deaf and/or hard of hearing women, legal advocacy for persons with developmental disabilities, elder abuse research, data on elder abuse, and the Elder Justice Act. Workshops covered topics on forensic wounds, financial abuse, abuse, self-neglect, elder substance abuse, improving employee morale and abuse in terminally ill patients.

30th Annual National Trial Advocacy College at University of Virginia. Lectures and demonstrations were provided by speakers and lawyers from across the country. Then, each participant was led by an experienced trial lawyer or judge from UVA's faculty. They studied and performed every aspect of trial advocacy, from opening statements, direct examination, cross-examination, examination of experts, introduction of exhibits and closing arguments. They then learned practice advocacy skills and culminated with participants conducting a live mock jury trial presided over by an experienced federal or state judge.

American Bar Association's 21st Annual National Institute on Healthcare Fraud. Provided information on foundations of health law, white collar law, practice and health care fraud and False Claims Act developments.

American Bar Association's Institute for Trial Training. Training focused on practical techniques for making effective opening and closing argument and planning direct and cross-examination and witnesses for jury trials.

Assisted Living Facility Orientation and Safety Standards Training for Operators. This training was developed by the Department of Social Services to new assisted living facility operators. Training covered regulations and safety issues in assisted living facilities.

Base Statistical Analysis System (SAS) Programming Certification e-learning training. Provided introduction to SAS programs, information on working with SAS Syntax, SAS data sets, Excel worksheets, delimited raw data files, validating and cleaning data, manipulating data, enhancing reports, producing summary reports, introduction to graphics using SAS/GRAPH, input and output, summarizing data, reading raw data files, data transformations, debugging techniques, restricting a data set, and other SAS language.

Brady/Giglio Training. This training was sponsored by the U.S. Attorney's Office. Speakers discussed pitfalls that prosecutors may face and examples of mistakes that may lead to dismissal of criminal cases because of Brady and Giglio violations.

Clearwell University E-Discovery Platform Training. This training provided information on how to use the Clearwell e-discovery platform. Instruction was provided on how to process, analyze, produce electronically stored information, advance capabilities, accelerate response times, expand usage into new litigation or investigation use cases, and develop strategies and functionality for streamlining the review process, including search techniques, analysis capabilities, tagging options, work-flow management, production options and data export capabilities. Participants were eligible for certification as a Clearwell Certified Administrator ("CCA"). This certification increases the defensibility of the e-discovery process and reduces organizational risk.

Commonwealth's Attorneys' Service Council Spring Institute Program. Training provided information on current developments in the criminal law, including recent legislative enactments and judicial decisions.

Computer and Enterprise Investigations Conference. Provided information on GPS devices, EnCase Forensic V7 Workflow, e-mail investigations, EnCase Forensic V7 reporting, EnCase Portable Field Collection, EnCase V7 Evidence processing and tracing IP addresses.

Detecting Deception. Training provided on how to detect deception in oral and written communication and how to evaluate body language.

Document Imaging Seminar. Training focused on using computer technology to electronically capture, store, and organize documents in civil or criminal cases.

E-Discovery Symposium. Presentation focused on e-discovery law, developments in e-discovery, and the future of e-discovery law.

E-Discovery in the World of Cloud Computing, Social Networking, and Data Hoar. Addressed current issues in e-discovery, the legal risks of social media, technology assisted review in e-discovery versus manual review and other related discovery/litigation matters in the context of technology.

Emergency Evacuation Training. Provided information on how to properly evacuate staff during different types of emergencies.

Ethical Issues in Elder Law. Provided information on the dynamics of health care fraud from competing perspectives.

Ethics, Discipline, and Real World Obligations. Presented by faculty from the judiciary, the disciplinary bar and law firms focused on the ethical and disciplinary issues confronting attorneys in everyday practice, including: conflicts of interest arising in corporate and transactional practice, corrective disclosures under the Rules of Professional Conduct, disciplinary consequences for attorney misconduct unrelated to the practice of law, and avoiding disciplinary complaints.

Freedom of Information Act/Special Counsel Continuing Legal Education Seminar. Provided information on responding to Freedom of Information Act requests and legal ethics concerns.

Global Economy. Explored current trends and fraud schemes, case examples, patterns of fraud and abuse, and fraud indicators in a variety of specialty areas while considering the investigative skills necessary to conduct successful health care fraud investigations. Specialty areas discussed included pain management, anesthesia, mental health, and ophthalmology. The Investigating Fraud in a Global Economy portion of the training focused on fraud cases involving U.S. citizens abroad, fraud schemes emanating from other countries that can be exported to the U.S. system, as well as foreign nations perpetrating fraud within the U.S. health system. Topics included identity theft, validating authenticity, and an update on current medical travel arrangements.

Grand Jury Practice Seminar. This training was sponsored by the National Advocacy Center and provided information on grand jury mechanics, grand jury secrecy, interaction with the grand jury, grand jury strategy, acquisition of evidence, privileges, immunity, dealing with hostile or recalcitrant witnesses, multiple representations, conflict of interest, parallel proceedings, use of the computer in organizing complex cases, and managing large document investigations.

Harry L. Carrico Professionalism Course. This is a mandatory course on professionalism and the Virginia Rules of Professional Conduct. The curriculum focused on the Virginia Rules of Professional Conduct and lawyers' broader ethical obligations to their clients, to the judicial system, and to society.

How to Effectively Handle Your First Appeal to the Court of Appeals of Virginia. Provided practice tips for appeals before the Court of Appeals of Virginia.

Insurance Fraud. This training covered insurance fraud, staged accidents, fictitious insurance claims, and how attorneys and medical providers collaborate to profit from these fictitious claims.

International Association of Computer Investigative Specialists Basic Certified Forensic Examiner Training Program. Provided attendees with foundation knowledge necessary to enter the IACIS Certified Forensic Computer Examiner (CFCE) process. Attendees attended lectures, participated in instructor-led and independent hands-on practice exercises and independent laboratory activity to learn the underlying principles of computer forensic examination and how to apply them in practice.

John E. Reid and Associates, Inc. Discussed interview and interrogation preparation, behavior symptoms, behavioral analysis, and reviewed the Reid Nine Steps of Interrogation.

Lawyer Marketing: An Ethics Guide. Addressed ethical issues encountered in practice through the use of hypotheticals.

Lexis Training. Introduction to conducting person and legal searches on Lexis.

Management and Leadership in the Virginia Office of the Attorney General. Discussed roles of attorney managers and supervisors, challenging managerial environment, staff motivation, case studies in addressing employee performance and conduct problems, choosing a leadership pattern, emotional intelligence, leadership, workplace climate, personal motivations to manage and to practice law, effective delegation, motivation through reinforcing feedback, constructive criticism, managing change, leading transitions, work planning, and progress review.

Mandated Reporters: Recognizing and Reporting Abuse, Neglect and Exploitation of Adults. This training was sponsored by Virginia Commonwealth University's Institute for Social Services Training Activities. The training dealt with the role and responsibilities of mandated reporters, what adult protective services workers do with the information provided by mandated reporters, and the steps workers follow to complete an investigation.

Microsoft Access 2007/2010 Training. Provided information on all aspects of Access.

Microsoft Access Hands-On Training. Explained how to use features to solve problems and customize Access for the work that is needed.

Microsoft Excel. Training provided information on formulas and functions, designing and organizing worksheets, charts, graphs, output, macros, Visual Basic Editor, graphics, and how to format data and Pivot Charts.

Minimum Data Set Training. Covered completion guidelines and instruction, implementation strategies, relationship with quality indicators, care planning development, and impact on reimbursement.

Multi-State *Qui Tam* Litigation Training. This training was hosted by the Virginia Attorney General's Office's Medicaid Fraud Control Unit and covered information on conducting a trial-focused investigation, parallel investigations and prosecutions, mapping the investigation, data and team building, documents and interviews, preserving privilege during the investigation and beyond, working with relator's counsel, litigation and single state agency, prepping government witnesses for testimony, experts, and protective orders and discovery orders.

National Association of Medicaid Fraud Control Unit's 2010 Annual Training Program. Provided information on cost report fraud case, algorithms, emerging trends in Medicaid, Small Smiles, organized crime, creative alternatives to criminal prosecution in nursing home

cases, special issues in prosecuting resident abuse in state-run facilities, *United States v. Parida*, asset forfeiture, drug and alcohol abuse treatment centers, and Cardinal Home Health Care.

National Association of Medicaid Fraud Control Unit's Introduction to Medicaid Fraud 101. Training covered topics such as medical records, health care terminology, working with claims data, fraud in institutional settings, financial abuse of patients, managed care, provider fraud schemes, preparing cases for prosecution and overview of resident abuse investigative techniques.

National Association of Medicaid Fraud Control Unit's Medicaid Fraud 102 Training. Provided workshops on mental health, cost report fraud, resident neglect, durable medical equipment, and dental topics.

National Association of Medicaid Fraud Control Unit's Resident Abuse Training Program. Workshops were provided under the following topics: criminal neglect, use of surveys and data, systematic failure of care case, nursing home cost report fraud, investigating and prosecuting neglect in community-based care settings, hidden cameras, using documentary evidence to build your case, interviewing witnesses – a behavioral approach, working with the Department of Justice, Office of Inspector General, techniques and legal issues in presenting a persuasive abuse/neglect case to a jury, building a staffing case, alternative resources for nursing home investigations, alternative theories of prosecution in nursing home cases, and a review of significant cases.

National Association of Medicaid Fraud Control Unit's Team Training for Global Cases. Provided information on team dynamics, working with other agencies and entities, initial steps, data sources, data requests, damage models and estimation, and settlement.

National Health Care Anti-Fraud Association's Institute for Health Care Fraud Prevention Program: Health Care Fraud Skills and Schemes, Parts 1 and 2 and Investigating Fraud in a National White Collar Crime Center's Financial Records Examination and Analysis Course. Provided information on the latest techniques in records analysis to determine and document whether suspected financial fraud is occurring between individuals and/or organizations. Participants developed skills utilizing computers to examine and analyze financial records, and how to present evidence in written reports, graphic, depictions, and testimony in court.

National White Collar Crime Center's Financial Investigations Practical Skills Training. Provided training needed to investigate white collar crime cases, including information on developing practical skills, and provided insights and knowledge necessary to manage a successful financial investigation from start to finish, including, identifying and addressing complex criminal activities, and organizing and documenting critical evidence.

National Health Care Anti-Fraud Association's March 2011 National Education and Training Series Conference. Covered information on fraud waste and abuse in pain management, hospital and facility fraud, and hospital billing schemes.

New Employee Training. Received information on current outreach efforts to maximize reporting of Medicaid fraud and reporting of elder abuse and neglect. Received training on protecting confidential health information, obtaining evidence, Brady/Jencks/Giglio, courts 101, and handling evidence.

Esther Welch Anderson, Administrative, Training and Outreach Manager

No Fear Act and Sexual Harassment Prevention. Provided information on the No Fear Act, which requires all federal agencies to train all employees on their rights and remedies under the federal antidiscrimination, retaliation, and whistleblower protection laws.

Organized Crime in Healthcare Fraud Training Conference. Covered organized crime in health care, money laundering, medical identity theft, case presentations, best practices, United States Immigration and Customs Enforcement investigative authorities, Asian organized groups, Latino organized groups, African organized groups, state department investigative authorities, visa fraud, international organized crime, payment suspensions, Eurasian organized groups, organized crime overview, organized crime in healthcare fraud, investigative support tools, MFCU organized crime overview, Financial Crimes Enforcement Network, money laundering, and medical identity theft.

Prescription to Peril. Topics presented included drug diversion and prescription drugs, information on forms of prescription drug diversion and its estimated scope, underlying and driving forces, and impact and implications for prescription payers.

Sexual Abuse in Long Term Care Facilities. This training covered information on sexual abuse, indicators, perpetrator characteristics, family dynamics, barriers to reporting, consent issues, and other legal considerations.

Skin and Wound Care. Information geared toward health professionals on types of wounds, infection control, methods of healing, non-healing wounds, and acute and chronic wounds.

"State Safe" Training 2010: Community Emergency Response Team (CERT) Training for Virginia State Employees. This training covered topics such as CERT organization, medical operations, light search and rescue operations, fire safety, terrorism, disaster preparedness, and disaster psychology.

Taxpayers Against Fraud Conference. Conference consisted of Department of Justice attorneys, state assistant attorneys general, and relator's counsel from all over the country to discuss significant cases and new trends in False Claims Act Litigation.

The Role of Lawyers of the Office of the Attorney General as Viewed from the SCC and the Supreme Court. Senior Justice at the Supreme Court of Virginia discussed her experiences from the bench and expectations of attorneys practicing before the court.

TRICARE Health Care Anti-Fraud Conference. Provided information on cases dealing with mental health and therapy fraud impacting special needs children, drug diversion, sleep studies fraud, overprescribing of controlled substances, skilled nursing facility chain investigations, Health Care Fraud Prevention and Enforcement Action Team Initiative (HEAT), pharmacy fraud, and unauthorized use of entitlements.

Understanding Ethical Problems for Government Lawyers. Provided information on successive government and private employment, communicating with government agencies represented by counsel, and conflicts in representing government entities.

Virginia Association of Commonwealth's Attorneys 71st Annual Summer Conference. Covered issues relating to legal ethics for prosecutors including multijurisdictional drug prosecutors, successful prosecution of narcotics cases, and reviewed holdings of the United States Supreme Court relevant to criminal prosecutors.

Virginia Coalition for the Prevention of Elder Abuse 17th Annual Conference. Received information on adult protection, how to successfully prosecute an elder abuse and neglect case, older adults and mental illness, interviewing older adults, witnesses, and ethical decision making.

Virginia Freedom of Information Act: Rights and Responsibilities. Provided information on Freedom of Information Act charges, and important information regarding access to public records.

Virginia Medicaid Fraud Control Unit Annual In-Service Training. This annual training was provided to all staff and included the following topics: strike force investigation and prosecution model, Medicare/Medicaid fraud trends, Suboxone cases, postal inspection service, mail fraud/mail covers, algorithms/investigative tools, National Insurance Crime Bureau, prescription monitoring program, legislative updates, calculating and proving fraud loss, managed care data, and kickbacks.

Virginia Medicaid Management Information System Quick Start Training. Provided training to understand and accurately navigate Virginia Medicaid Management Information System including how to inquire, enroll, update and cancel recipient benefits, third-party liability, maintain spend down expenses, and to inquire on information on maternal and infant care coordination and assessment screens.

Workplace Harassment Workshop. Provided overview on legal issues related to sexual harassment in the workplace. Involved a real life scenario and discussion of legal issues.

Wound Care. A wound care nurse provided information on decutibus ulcers and wound care to the Elder Abuse and Neglect Squad.

Dates and Personnel Attending Training

Date	Program	Personnel
7/9-10/10	American Bar Association's Litigation Institute for Trial Training	Assistant Attorney General
7/16/10	Emergency Evacuation Training	Legal Secretary
7/26-29/10	National Health Care Anti-Fraud Association's Institute for Health Care Fraud Prevention Program: Health Care Fraud Skills and Schemes Parts 1 and 2 and Investigating Fraud in a Global Economy	Investigative Supervisor Senior Investigator 2 Senior Financial Investigators Investigator
8/5-8/10	Virginia Association of Commonwealth's Attorneys 71st Annual Summer Conference	Chief Section Counsel
8/17-19/10	Grand Jury Practice Seminar	Assistant Attorney General
8/30-9/3/10	Organized Crime in Healthcare Fraud Training Conference	Chief Investigator
9/1-2/10	Management and Leadership in the Virginia Office of the Attorney General	Deputy Director of Prosecutions and Litigation Chief of Civil Unit Chief Prosecutor 2 Assistant Attorneys General
9/13,14,16 & 22/10	"State Safe" Training 2010: Community Emergency Response Team Training for Virginia State Employees	Evidence Manager/Analyst
9/16-17/10	Microsoft Excel	Outreach Coordinator
9/23-24/10	Microsoft Excel	Administrative, Training and Outreach Manager Senior Investigator 3 Investigators Paralegal Legal Secretary
9/30/10	No Fear Act and Sexual Harassment Prevention	Assistant Attorney General
10/5-7/10	New Employee Training	8 Assistant Attorneys General Investigative Supervisor 2 Senior Investigators Senior Financial Investigator 11 Investigators 2 Financial Investigators Nurse Investigator Paralegal Senior Forensic and Information Technology Specialist Outreach Coordinator Administrative Coordinator
10/13/10	Freedom of Information Act/Special Counsel Continuing Legal Education Seminar	Assistant Attorney General

Dates and Personnel Attending Training

Date	Program	Personnel
10/14/10	Workplace Harassment Workshop	Director and Chief Chief Section Counsel Deputy Director of Prosecutions and Litigation Deputy Director of Investigation and Audits Chief Auditor of Financial Investigations Chief of Civil Unit Chief of Elder Abuse Unit Chief Prosecutor Administrative, Training and Outreach Manager 14 Assistant Attorney Generals 4 Investigative Supervisors 11 Senior Investigators 15 Investigators Nurse Investigator Senior Financial Investigator 2 Financial Investigators Forensic and Information Technology Supervisor Forensic and Information Technology Specialist Programmer Supervisor Evidence Manager/Analyst Program Coordinator Outreach Coordinator Administrative Coordinator 2 Senior Paralegals Paralegal Legal Secretary
10/18/10	Understanding Ethical Problems for Government Lawyers	Assistant Attorney General
10/24-27/10	National Association of Medicaid Fraud Control Unit's 2010 Annual Training Program	Director and Chief Chief Section Counsel Chief of Elder Abuse Investigative Supervisor
10/26-28/10	John E. Reid and Associates, Inc.	Senior Financial Investigator 2 Financial Investigators 8 Investigators
10/26/10	Virginia Medicaid Management Information System Quick Start Training	Legal Secretary
11/1-3/10	Taxpayers Against Fraud Conference	Assistant Attorney General
11/2-4/10	John E. Reid and Associates	Nurse Investigator
11/8-10/10	National Association of Medicaid Fraud Control Unit's Introduction to Medicaid Fraud 101	7 Assistant Attorneys General 10 Investigators 2 Senior Investigators Senior Financial Investigator 2 Financial Investigators Investigative Supervisor Programmer Supervisor Outreach Coordinator Nurse Investigator Paralegal
11/8-10/10	21st Annual National Adult Protective Services Conference: Healing the Culture of Abuse	Senior Investigator 2 Investigators Nurse Investigator
11/16-18/10	John E. Reid and Associates, Inc.	Investigative Supervisor Investigator

Dates and Personnel Attending Training

Date	Program	Personnel
12/3, 7 and 21/10	Assisted Living Facility Orientation and Safety Standards Training for Operators	5 Investigators 3 Nurse Investigators Chief of Elder Abuse Unit
12/6-8/10	John E Reid and Associates, Inc.	Investigator
12/8/10	Prescription to Peril	Investigator
12/9/10	Harry L. Carrico Professionalism Course	Assistant Attorney General
1/8-13/11	30th Annual National Trial Advocacy College at University of Virginia	Assistant Attorney General
2/2/11	Mandated Reporters: Recognizing and Reporting Abuse, Neglect and Exploitation of Adults	Evidence Manager/Analyst
2/9/11	Minimum Data Set Training	3 Nurse Investigators
2/14/11	Ethics, Discipline, and Real World Obligations	Assistant Attorney General
2/28/11	Assessment of Decision Capacity in a Context of Abuse	Chief of Elder Abuse 5 Investigators 3 Nurse Investigators
3/1-3/11	National Association of Medicaid Fraud Control Unit's Introduction to Medicaid Fraud 101	2 Investigators Paralegal Senior
3/2-3/11	Insurance Fraud	Senior Financial Investigator Investigator
3/3/11	2011 E-Discovery Symposium	2 Assistant Attorneys General
3/4/11	Ethical Issues in Elder Law	Assistant Attorney General
3/7-8/11	Microsoft Access 2007/2010 Training	Senior Financial Investigator
3/11/11	Giglio/Brady Training	Assistant Attorney General
3/11/11	The Role of Lawyers of the OAG as views from AOG, The SCC and the Supreme Court	Assistant Attorney General
3/16-17/11	Multi-State *Qui Tam* Litigation Training	Chief and Director of MFCU Deputy Director of Prosecutions and Litigation 2 Computer Programmers 7 Assistant Attorneys General 2 Paralegals Legal Secretary Administrative Manager Senior Paralegal 4 Investigators 1 evidence manager/analyst
3/20-23/11	Commonwealth's Attorneys' Service Council Spring Institute Program	Assistant Attorney General
3/22-24/11	Clearwell University E-Discovery Platform Training	Evidence Manager/Analyst
3/23-24/11	Microsoft Access 2007/2010 Training	Chief Auditor of Financial Investigations Senior Investigator 2 Senior Financial Investigator 3 Financial Investigators Computer Programmer Outreach Coordinator/Analyst
3/20-23/11	Commonwealth's Attorney's Services Counsel Spring Institute	Assistant Attorney General
3/24-25/11	Microsoft Access Hands On Training	Senior Investigator

Dates and Personnel Attending Training

Date	Program	Personnel
3/25/11	How to Effectively Handle Your First Appeal to the Court of Appeals of Virginia	Assistant Attorney General
3/28-31/11	National Health Care Anti-Fraud Association's March 2011 National Education and Training Series Conference	Senior Investigator Senior Financial Investigator Investigative Supervisor
3/30/11	Lawyer Marketing: An Ethics Guide	3 Assistant Attorneys General
4/7/11	Introduction to Lexis	Deputy Director of Prosecutions and Litigation Assistant Attorney General 2 Paralegals Legal Secretary
4/12-14/11	National Association of Medicaid Fraud Control Unit's Medicaid Fraud 102 Training	3 Assistant Attorneys General Investigator
4/18/11	Document Imaging Seminar	Paralegal Senior
4/20/11	Sexual Abuse in Long Term Care Facilities	Chief of Elder Abuse Senior Investigator 3 Investigators 3 Nurse Investigators
4/25-29/11	National White Collar Crime Center's (NW3C) FIPS – Financial Investigations Practical Skills Course	Financial Investigator
4/27-29/11	TRICARE Health Care Anti-Fraud Conference	Investigator
5/1-13/11	The International Association of Computer Investigative Specialists Basic Certified Forensic Examiner Training Program	Forensic and Information Technology Specialist
5/3/11	Skin and Wound Care	3 Nurse Investigators
5/11-13/11	American Bar Association's 21st Annual National Institute on Healthcare Fraud.	Assistant Attorney General
5/16-19/11	Computer and Enterprise Investigations Conference	Computer Forensic and Information Technology Supervisor
5/17-19/11	Virginia Medicaid Fraud Control Unit Annual In-Service Training	Administrative Coordinator Administrative, Training and Outreach Manager Analyst 13 Assistant Attorneys General Chief Auditor Chief Investigator Chief of Civil Unit Chief of Elder Abuse Chief Prosecutor 2 Computer Programmer Deputy Director of Investigations Deputy Director of Prosecutions 4 Financial Investigators Forensic and IT Specialist Forensic and IT Supervisor 16 Investigators 4 Investigator Supervisors Legal Secretary 3 Nurse Investigators 2 Outreach Coordinators 3 Paralegal Senior Program Coordinator Program Supervisor 3 Senior Financial Investigator 3 Senior Investigators

Dates and Personnel Attending Training

Date	Program	Personnel
6/1-3/11	Virginia Coalition for the Prevention of Elder Abuse 17th Annual Conference	Chief of Elder Abuse Senior Investigator 2 Nurse Investigators 5 Investigators Administrative, Training and Outreach Manager Community Outreach Coordinator
6/6-9/11	National Medicaid Fraud Control Unit's Resident Abuse Training Program	Assistant Attorney General Chief of Elder Abuse MFCU Deputy Director Investigator Nurse Investigator Community Outreach Coordinator
6/8/11	Virginia Freedom of Information Act: Rights and Responsibilities	4 Assistant Attorneys General
6/13-17/11	National White Collar Crime Center's Financial Records Examination and Analysis Course	Senior Investigator
6/14/11	Wound Care	Chief of Elder Abuse Unit Senior Investigator 5 Investigators 3 Nurse Investigators
6/21/11	Detecting Deception	3 Investigators Analyst
6/21-23/11	NAMFCU Team Training for Global Cases	Chief of Civil Unit 2 Assistant Attorneys General Programmer Supervisor
Online (dates ongoing)	Base SAS Programming Certification e-learning training	2 Computer Programmers

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Fax (540) 562-3576

To Report Medicaid Fraud:

If you would like to report a suspected case of Medicaid fraud or have questions, please contact us at
Phone 1-800-371-0824
(804) 786-2071 or
(804) 786-2072

The Unit can be contacted by mail at:
900 East Main Street
Richmond, Virginia 23219
or by email: MFCU_mail@oag.state.va.us

OAG Web Sites:
www.vaag.com
www.facebook.com/VAMFCU

You may report report recipient fraud to the Department of Medical Assistance Services at:
RecipientFraud@DMAS.virginia.gov

Additional Information
Copies of the Office of the Attorney General of Virginia's Medicaid Fraud Unit's Annual Report are available without charge. This report can be viewed by visiting www.vaag.com, or requests for this item can be made by writing to:

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