



# Department of Justice

United States Attorney David E. Nahmias  
Northern District of Georgia

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CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

## **MEDICAL SUPPLY EXECUTIVE IMPRISONED FOR DEFRAUDING MEDICARE**

### ***Angela Isley Submitted False Claims To Medicare And Embezzled Money From Her Former Employer, "Orthoscript, Inc."***

Atlanta, GA - ANGELA D. ISLEY, 44, of Atlanta, Georgia, was sentenced today by United States District Judge Charles A. Pannell, Jr. to serve more than 5 years in prison on charges of health care fraud, mail fraud, and money laundering. ISLEY was convicted of these charges on April 28, 2008, following a two week jury trial.

United States Attorney David E. Nahmias said, "The defendant submitted false claims to Medicare with a total value of more than \$600,000, resulting in a loss to Medicare of \$219,000. She also used her position at Orthoscript, Inc. to steal more than \$360,000 from that company. Every dollar the defendant stole from the Medicare program was a dollar taken from the elderly and disabled Americans who depend on Medicare for their health care needs, and from the taxpayers who fund the program. The prison sentence imposed today reinforces the message that health care fraud is a serious crime with serious penalties."

OIG Special Agent in Charge Melody Jackson said, "Today's action sends a message to those who corruptly take advantage of the Medicare system. The Office of Inspector General, Atlanta Regional Office will continue to work aggressively to eliminate this type of corruption in our health care system."

ISLEY was sentenced to five years, ten months in federal prison to be followed by three years of supervised release, and ordered to pay restitution in the amount of \$703,814. Judge Pannell said from the bench at today's hearing that, partly because of extra costs incurred by the government retrieving hundreds of documents demanded by ISLEY during discovery that he is also ordering her to pay a fine of \$125,000.

According to United States Attorney Nahmias and the information presented in court: Between January 2001 and December 2003, ISLEY knowingly assigned incorrect "product codes" to certain wrist braces and walking boots in Orthoscript Incorporated's inventory in order to generate higher reimbursements from Medicare. ISLEY instructed

company employees, often over their objections, to file claims with Medicare listing fraudulent product codes which are to be specifically used for custom-fabricated wrist braces, when all Orthoscript actually supplied were cheaper, prefabricated, off-the-shelf items. As a result of the health care fraud scheme, ISLEY caused Orthoscript to fraudulently bill the Medicare program for more than \$600,000.

ISLEY's responsibilities at Orthoscript also included handling and accounting for ordinary business expenses, such as writing checks to vendors. Between April 2001 and April 2004, ISLEY wrote Orthoscript company checks to pay her and her partner's personal Capital One credit card bills, and used her sole control over Orthoscript's books to cause these payments, totaling more than \$360,000, to be falsely recorded as legitimate business expenses. Orthoscript's officers and shareholders never authorized ISLEY to obtain reimbursement for these personal expenses.

A defendant in a related case, ARCH NELSON, 46, of Alpharetta, Georgia, who was a partner in Orthoscript, was sentenced late this afternoon to 5 years of probation, and ordered to perform 250 hours of community service, on a charge of misprision of felony, in knowing about and not reporting ISLEY's crimes. NELSON had pleaded guilty to the charge in October 2006 and testified against ISLEY at her trial.

This case was investigated by Special Agents of the Department of Health and Human Services Office of Inspector General and the Federal Bureau of Investigation.

Assistant United States Attorneys Glenn D. Baker and John Horn prosecuted the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is [www.usdoj.gov/usao/gan](http://www.usdoj.gov/usao/gan).