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**ANOTHER FORMER CEO OF NON-PROFIT HEALTH CARE CLINIC
ARRAIGNED ON EMBEZZLEMENT AND TAX EVASION CHARGES**

**Woman Allegedly Embezzled \$90,000 from Vallejo Clinic By Using Clinic Funds
for Residential Mortgage, Construction of a Pool and Home Remodeling Immediately
After Her Predecessor Did The Same**

United States Attorney McGregor W. Scott announced today the arraignment of OSA MARIE HEALY, age 44, of Vacaville, California, on an indictment charging her with 30 counts of embezzlement as CEO of a Vallejo-based health care clinic from 1999 to 2001, and two counts of filing false tax returns. Defendant entered a plea of not guilty before United States Magistrate Judge Peter A. Nowinski and was ordered to appear for a status conference before Judge Garland E. Burrell, Jr. on November 14, 2003. She was released on her own recognizance.

According to Assistant U.S. Attorneys Robert Tice-Raskin and Pat Hanly, who are prosecuting the case, the Indictment alleges that defendant was the CEO and a Board Member of the Redwood Family Clinic, a non-profit provider of health care services for uninsured patients in Vallejo, from February, 1999 to May, 2001. The Clinic received funds from health care benefit programs such as Medicare, Medi-Cal and other local benefit programs.

The Indictment alleges that HEALY wrote more than 100 unauthorized Clinic checks to herself or for her personal gain, including payments for dental care, kitchen appliances, construction of a \$15,000 pool, her home mortgage, and her residential utilities. The Indictment also alleges that HEALY filed false tax returns for the years 1999 and 2000 that failed to report all of the income she received from the Clinic.

If convicted, HEALY faces a up to a 10-year term of imprisonment and a \$250,000 fine on each of the embezzlement counts, and a sentence of up to 3 years imprisonment and a \$100,000 fine, plus the costs of prosecution, on each of the tax charges.

This is the second indictment of former officers of the Clinic. On June 17, 2003, former CEO and Board Member LISA JO BAIRD, 42, of San Francisco, California, pleaded guilty to

one count of embezzlement from a health care benefit program and one count of filing a false tax return. BAIRD admitted that from January 1996 through December 1998, she used her position to write more than 100 unauthorized Clinic checks to herself or for her personal gain, including payments for clothing, travel, entertainment, ski vacations, a health club membership, the remodeling of her kitchen in her personal residence, overdue parking tickets, and expenses associated with an unrelated business she owned. BAIRD concealed her embezzlement by booking the embezzled checks as Clinic expenses, listing false or fictitious payees in the Clinic's financial records she controlled. BAIRD also admitted that she filed a false tax return for the year 1998 that failed to report all of the income she received from the Clinic.

Sentencing for BAIRD is currently scheduled for November 4, 2003 before United States District Court Judge Lawrence K. Karlton.

Referring to Baird, Victor S. O. Song, IRS Criminal Investigation Special Agent-In-Charge stated, "No one should profit from embezzling money—especially not from a community health care clinic established to serve the underinsured and uninsured public."

The charges against HEALY are only allegations and defendant HEALY is presumed innocent until and unless proven guilty beyond a reasonable doubt.

The case was investigated by the Internal Revenue Service, Criminal Investigation Division.

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