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FOR IMMEDIATE RELEASE

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**FORMER CEO AND BOARD MEMBER OF NON-PROFIT HEALTH CARE CLINIC  
SENTENCED TO PRISON IN EMBEZZLEMENT AND TAX EVASION SCHEME**

SACRAMENTO – United States Attorney McGregor W. Scott announced today that LISA JO BAIRD, 42, of San Francisco, California, the former CEO and a former board member of the Redwood Family Clinic, a Vallejo-based non-profit health care clinic, was sentenced today by U.S. District Court Judge Lawrence K. Karlton to six months in prison in connection with an embezzlement and tax evasion scheme in which she participated. As part of her sentence, BAIRD was also ordered to pay \$187,367 in restitution to the Clinic.

On June 17, 2003, BAIRD pleaded guilty to one count of embezzlement from a health care benefit program, and one count of filing a false tax return. Special Agents from the IRS had arrested BAIRD in September 2002 at the San Francisco International Airport as she arrived on a plane from Vancouver. According to Assistant U.S. Attorneys Douglas Sprague and James Arguelles, who prosecuted the case, from 1993 to 1999 BAIRD was the CEO and Treasurer of the Redwood Family Clinic. During that time, BAIRD controlled the Clinic's financial records and was the sole signer on Clinic checks. As part of her guilty plea, 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 then 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.

On October 29, 2003, Baird's successor at the Redwood Family Clinic, OSA MARIE HEALY, 44, of Vacaville, California, was arraigned on an indictment charging her with 30 counts of embezzlement and two counts of filing false tax returns. The indictment against HEALY alleges that during the period of 1999 to 2001, while she was the CEO and a Board Member of the Clinic, 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. The charges against HEALY are only allegations and she is presumed innocent until and unless proven guilty beyond a reasonable doubt.

The cases against both BAIRD and HEALY were investigated by the Internal Revenue Service, Criminal Investigation Division.

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