



Department of Justice

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TWO MEN INDICTED FOR MILLION DOLLAR MEDICAID FRAUD

Over \$1.1 Million Worth of Forged Prescriptions in Just 8 Months

Atlanta, GA - VARIAN SCOTT, 35, of Miami, Florida, and HEZRON COLLIE, 29, of Atlanta, have been indicted by a federal grand jury on charges of conspiracy to commit health care fraud and health care fraud in connection with a scheme to present forged prescriptions to pharmacies throughout the metro Atlanta area over an eight-month period, and causing the cost of the prescriptions - more than \$1 million - to be billed to Georgia Medicaid. COLLIE had his initial appearance on the indictment this afternoon before United States Magistrate Judge Russell Vineyard. SCOTT had his initial appearance before Judge Baverman on January 14, 2009.

United States Attorney David E. Nahmias said of the case, "Those who cheat Medicaid are cheating the American taxpayers, who ultimately bear the financial loss. This indictment is the result of the hard work and cooperation of local, state and federal agencies working together to root out health care fraud and bring those responsible to justice. We will continue to work with these agencies to prosecute Medicaid fraud and other scams targeting government programs, to vindicate taxpayers and help ensure the integrity of these programs."

Georgia Attorney General Thurbert Baker said of the case, "Medicaid fraud strips desperately needed resources from a system designed to help those most in need in our state. My office will continue to work with federal law enforcement to target criminals who cheat the system so that both taxpayers and the Medicaid system are protected from fraud."

FBI Atlanta Special Agent in Charge Gregory Jones said, "The public has grown weary, and with good cause, of those who scheme to defraud the government and thus steal the hard earned money of the American taxpayer. We will continue to work closely with our local, state and federal law enforcement partners to ensure those who commit such crimes are brought to justice."

C. Richard "Rick" Allen, Deputy Director, Georgia Drugs and Narcotics Agency,

said, “This case is a perfect example of what happens when there is cooperation between different types of law enforcement agencies sharing information and working together. A complicated, multi-jurisdictional investigation that first came to light through a local sheriff’s department and ended up with a federal indictment, with each agency contributing its own expertise along the way.”

Dr. Rhonda Medows, Commissioner of the Georgia Department of Community Health, which administers Georgia Medicaid, said, “With an increasing number of people in need of health care, it is important that we ensure that every dollar used is a dollar that is improving the overall health status of Georgians. DCH will continue to work with partnering law enforcement agencies to ensure that we are safeguarding taxpayers’ dollars.”

According to United States Attorney Nahmias, Georgia Attorney General Baker, and information presented in court: Between September 2005 and April 2006, SCOTT, COLLIE, and others known and unknown to the grand jury obtained blank doctors’ prescription pads from Emory University’s Winship Cancer Institute - COLLIE’s former employer - and two other doctors. The defendants allegedly obtained names, dates of birth, and Georgia Medicaid numbers of dozens of people, and allegedly forged multiple doctors’ prescriptions for Neupogen and related medications used to treat cancer and AIDS patients. The defendants then allegedly presented the forged prescriptions along with the patient information to CVS, Publix, Walgreens, Kroger, and Eckerd pharmacies throughout the Atlanta area. SCOTT and COLLIE also allegedly recruited a pharmacy employee at least one of the pharmacies to facilitate the unlawful scheme. That employee is cooperating with authorities and pleaded guilty to related charges in Gwinnett County Superior Court on January 13, 2009. The pharmacies billed approximately \$1.1 million to Georgia Medicaid for the cost of the medications that SCOTT and COLLIE fraudulently acquired. The pharmacies and the doctors are cooperating in the investigation.

The indictment charges SCOTT and COLLIE with one count of conspiracy to commit health care fraud and 20 counts of health care fraud. The charges carry a maximum sentence of 10 years in prison and a fine of up to \$250,000 per count.

Members of the public are reminded that an indictment contains only allegations. A defendant is presumed innocent of the charges and it is the Government’s burden to prove a defendant’s guilt beyond a reasonable doubt at trial.

The indictment is the culmination of a joint investigation conducted by the Federal Bureau of Investigation, Georgia Bureau of Investigation, Georgia Drugs & Narcotics Agency, Georgia Department of Community Health, and the Georgia Medicaid Fraud Control Unit. Valuable assistance in this case has also been provided by the Georgia State Patrol, Twiggs County Sheriff’s Office, Clayton County Sheriff’s Office, and the

Gwinnett County Police Department.

The case is being prosecuted by Assistant United States Attorneys Bernita Malloy and David M. Chaiken, and Senior Assistant Attorney General Nancy B. Allstrom of the Georgia Attorney General's Office, who has been designated a Special Assistant United States Attorney for 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.