

Record-Breaking \$368 Million Settlement in Whistleblower Case Against Tenet Healthcare Hospitals Alleging Kickbacks for Referrals of Pregnant, Undocumented, Hispanic Women

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A False Claims Act (FCA) lawsuit filed in 2009 by Wilbanks & Gouinlock for a whistleblower on behalf of the United States and the State of Georgia has settled for a record breaking amount of \$368,000,000. The lawsuit alleged that Tenet Healthcare Corp. (Tenet) and four of its hospitals in Georgia and South Carolina, paid the owner of walk-in obstetric clinics serving primarily undocumented Hispanic women (called “Clinica de la Mama”) to identify and funnel those pregnant women to Tenet hospitals for labor and delivery services that would be paid for by the Emergency Medicaid Program. Women who are not U.S. citizens are not eligible for regular Medicaid but because giving birth is considered an emergency condition, Emergency Medicaid funds are available to cover services provided to undocumented women who are in labor. Tenet’s scheme identified women before they were in labor and paid to get that Medicaid business to Tenet hospitals, thereby violating the federal Anti-Kickback Statute and Georgia and South Carolina laws. Tenet is one of the largest owner/operators of hospitals in the United States.

As stated in a press release from the U.S. Department of Justice when it joined Wilbanks & Gouinlock in prosecuting the case in February 2014, “the Medicaid program is a vital part of the government’s efforts to make sure that everyone has access to health care,” said then U.S. Attorney Michael J. Moore of the Middle District of Georgia. “Instead of providing health care services to expectant mothers in its area and receiving payment for those services from Medicaid, the hospital participated in a scheme to pay kickbacks in exchange for having pregnant women from outside its market funneled to its facility with the goal of increasing the amount of Medicaid money the hospital could claim.”

“Former U.S. Attorney Michael Moore’s office in the Middle District of Georgia and former Assistant United States Attorney Chuck Byrd who spearheaded the federal prosecution, as well as the lawyers from the Georgia Attorney General’s office have been tireless in their efforts for the taxpayers in prosecuting our case against Tenet,” said the whistleblower’s lawyer, Marlan Wilbanks. “These Government lawyers never flinched when Tenet and its team of lawyers denied any wrongdoing. Initially, Tenet claimed its contracts with Clinica de la Mama were legitimate. That proved to be false. These were sham contracts used to hide the illegal scheme in which Tenet hospitals bought Medicaid referrals. The prosecutors from the Middle District of Georgia and Georgia Attorney General Sam Olen’s office knew they had

powerful evidence to support my client's allegations and they never relented in their effort to recover the taxpayers' money wrongfully obtained by Tenet," Wilbanks said.

The Wilbanks & Gouinlock whistleblower client is Bill Williams, a U.S. Army veteran and an accountant with over thirty years of hospital finance experience. The case was filed in 2009. "Mr. Williams' moral fiber and his hospital finance expertise made our prosecution of this case possible for years after the suit was filed during which the federal government in Washington did not intervene or indicate that they would pursue it," said Wilbanks' partner, Susan Gouinlock. "This landmark \$368M settlement in a hospital kickback case is the result of a great client, a strong U.S. Attorney's office in the Middle District of Georgia and the willingness of Georgia Attorney General Sam Olens and his office to step up and join the fight, even though the Department of Justice was not yet ready to do so," said Wilbanks. The State of Georgia joined the prosecution of the case on July 31, 2013, some seven months before the U.S. Department of Justice officially joined the whistleblower suit. "The Department of Justice did ultimately intervene and is to be credited for its important role in this taxpayer victory," added Wilbanks. The whistleblower and Government complaints and other relevant pleadings are available at <http://www.wilbanksgouinlock.com/in-litigation/>.

The case was filed under the False Claims Act, a statute that was signed into law by President Abraham Lincoln specifically to protect federal funds from fraud. The law authorizes individuals such as Mr. Williams who have knowledge of fraud against the Government to hire private attorneys to bring lawsuits on behalf of the federal taxpayers. These cases are complex and often take many years to resolve, but only if a case is ultimately successful and the taxpayers recover by settlement or trial does the whistleblower and his or her attorneys receive any money. When a case is successful, the whistleblower is entitled by law to recover a percentage of the money recovered from the defendants who defrauded the Government.

Wilbanks & Gouinlock has earned a national reputation for successful representation of whistleblowers in courts across the United States over the last 20 years. This settlement represents the fourth case in the last two years in which Wilbanks & Gouinlock clients have recovered record amounts for the federal and state governments. In the last two years alone cases filed by Wilbanks & Gouinlock have recovered over \$1Billion for the American taxpayer in False Claims Act cases involving violations of the Anti-Kickback Statute and the Stark Law (involving limitations on physician compensation). For more information about these case settlements, the firm's attorneys and the False Claims Act experience for W&G clients, please visit www.wilbanksgouinlock.com. Wilbanks & Gouinlock, LLP was joined in their representation of Mr. Williams by the law firms of Pope McGlamry and Withrow, McQuade & Olsen. "The expertise and assistance of these firms were valuable assets to Mr. Williams and the Government in obtaining this record result," stated Wilbanks.

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