



Department of Justice

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Southern District of Mississippi**

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TWO TEXAS RESIDENTS SENTENCED TO PRISON FOR STEALING MEDICARE FUNDS

Hattiesburg, Mississippi - Theddis Marcel Pearson, of Houston, TX, and Telandra Gail Jones, of Dallas, TX, were each sentenced in U.S. District Court on Monday, November 29, to serve ten years in federal prison for stealing Medicare and Medicaid funds, U.S. Attorney Donald R. Burkhalter and FBI Special Agent in Charge Daniel McMullen announced today. Both defendants were immediately taken in to the custody of the U.S. Marshal Service.

Pearson and Jones were convicted by a jury on July 2, 2010. Pearson was found guilty of making false statements related to health care, theft of government funds and conspiracy to commit money laundering. Telandra Gail Jones was found guilty of theft of government funds and conspiracy to commit money laundering.

In addition to their prison sentences, both defendants were ordered to forfeit \$3,605,830.98 in cash that had previously been seized by the United States. Pearson was also ordered to forfeit a parcel of land in Jones County, Mississippi, that he purchased with some of the stolen funds. Both defendants were ordered to pay restitution in the amount of \$18,068,477.83.

The evidence at trial showed that Theddis Pearson ran the day to day operations of Statewide Physical Medicine Group, Inc., which had offices in Moss Point, Hattiesburg, Jackson and Meridian. Statewide Physical Medicine Group, Inc., claimed to provide physical therapy services to Medicare and Medicaid beneficiaries in their homes. Telandra Jones was responsible for submitting the claims to Medicare and Medicaid, which represented that the therapy services had been provided by a doctor. The evidence at trial showed that none of the services that were billed to Medicare and Medicaid were provided by a doctor. Instead, the therapy services were provided by employees of Statewide Physical Medicine Group, Inc., none of which were physical therapists. According to the evidence at trial, a physical therapist must complete a graduate level program, which consists of over 120 hours of study, normally completed in thirty six months, and pass a licensing examination. The employees of Statewide Physical Medicine Group, Inc., many of which had undergraduate degrees in exercise physiology or kinesiology, had little or no previous experience in physical therapy. The evidence also showed that the defendants over billed Medicare for the services they claimed to have rendered. Statewide Physical Medicine Group, Inc., routinely submitted claims to Medicare that alleged the therapy services lasted between five to nine hours per patient, per day. From January, 2001 until

January, 2005, the defendants billed Medicare for false claims of more than \$39,000,000.00 dollars, and were paid more than \$18,000,000.00.

FBI Special Agent in Charge McMullen stressed that this was a complex scheme to defraud the Medicare and Medicaid programs. “The coordinated investigative effort by federal law enforcement agencies and the U.S. Attorney’s Office led to the successful prosecution of Pearson and Jones.” He added, “Health care fraud costs the United States an estimated \$60 billion a year and is a rising threat in Mississippi. Those who engage in such schemes will be met with the full force of law enforcement.”

U. S. Attorney Burkhalter stated that he was “disappointed in the sentence in light of the magnitude of their crimes against the American taxpayers and the potential harm to the victims/patients of the defendants.” However, he noted that it is the responsibility of his office to prosecute and it is the Judge’s responsibility to sentence as he deems appropriate.

The case was investigated by the Office of the Inspector General of the United States Department of Health and Human Services and the Federal Bureau of Investigation. Assistant United States Attorney Scott Gilbert and Special Assistant United States Attorney David Blank prosecuted the case on behalf of the United States.

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