



# Department of Justice

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04/28/08

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## **JURY CONVICTS FORMER MEDICAL SUPPLY EXECUTIVE IN MEDICARE FRAUD SCHEME**

Atlanta, GA -- Following a two week trial, a jury in federal district court returned a guilty verdict earlier today against ANGELA D. ISLEY, 44, of Atlanta, Georgia, on charges of health care fraud, mail fraud, and money laundering. ISLEY, the former Chief Operating Officer (COO) of Orthoscript, Inc., a medical supply company in Alpharetta, submitted false claims to Medicare for Durable Medical Equipment and embezzled hundreds of thousands of dollars from Orthoscript while she was employed at the company.

“The defendant bilked Medicare of more than \$600,000 over a 3-year period. Medicare depends on the honesty and integrity of the suppliers and other participants in the program to provide medical supplies and services to the elderly and disabled. Those who cheat Medicare are cheating the American taxpayers who ultimately bear the financial loss,” said United States Attorney David E. Nahmias. “The defendant’s greed is further demonstrated by the fact that she also stole more than \$360,000 from her own company. The jury’s verdict sends a clear message that this type of fraud will not be tolerated. We will continue to vigorously prosecute Medicare fraud – both to vindicate taxpayers and to protect seniors from fraud.”

According to Nahmias and the evidence presented during trial: Between January 2001 and December 2003, defendant ISLEY knowingly assigned incorrect product codes to certain wrist braces and walking boots in Orthoscript's inventory in order to generate higher reimbursements from Medicare. ISLEY instructed company employees, often over their objections, to file claims with Medicare listing fraudulent product codes pertaining to custom-fabricated wrist braces, when all Orthoscript supplied were cheaper, prefabricated, off-the-shelf items. As a result of the health care fraud scheme, ISLEY caused Orthoscript to fraudulently bill the Medicare Program more than \$600,000.

ISLEY's responsibilities at Orthoscript also included handling and accounting for ordinary business expenses, such as writing checks to vendors. Between April 2001 and April 2004, ISLEY wrote Orthoscript company checks to pay her and her partner's personal Capital One credit card bills, and used her sole control over Orthoscript's books to cause these payments, totaling more than \$360,000, to be falsely recorded as legitimate business expenses. Orthoscript's officers and shareholders never authorized ISLEY to obtain reimbursement for these personal expenses.

ISLEY was indicted by a federal grand jury on February 20, 2007. The fourteen health care fraud counts for which she has now been convicted carry a maximum sentence of 10 years in prison and a fine of up to \$250,000 per count. The thirty-five mail fraud counts each carry a maximum of 20 years in prison and a fine of up to \$250,000 per count. The three money laundering counts each carry a maximum sentence of 10 years in prison and a fine of up to \$250,000 per count or not more than twice the amount of the criminally derived property involved in each money laundering transaction. In determining the actual sentence, the Court will consider the United States Sentencing Guidelines, which are not binding but provide appropriate sentencing ranges for most offenders. Sentencing is scheduled for July 28, 2008, at 10:30 a.m. before United States District Judge Charles A. Pannell, Jr.

This case was investigated by Special Agents of the Department of Health and Human Services Office of Inspector General and the Federal Bureau of Investigation.

Assistant United States Attorneys Glenn D. Baker and John Horn are prosecuting 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 <http://www.usdoj.gov/usao/gan/>.