



Department of Justice

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MIAMI MAN SENTENCED TO MORE THAN A DECADE IN FEDERAL PRISON FOR MILLION DOLLAR MEDICAID FRAUD

Medical Identity Theft Scheme Caused \$1.1 Million in Forged Prescriptions to Be Billed to Georgia Medicaid in Only Eight Months

Atlanta, GA - VARIAN V. SCOTT, 36, of Miami, Florida, was sentenced today by United States District Judge Charles A. Pannell, Jr. to federal prison on charges of health care fraud and conspiracy to commit health care fraud. The charges arose out of scheme to present forged doctors' prescriptions for high-dollar cancer and HIV medications to dozens of Atlanta-area pharmacies using the identities of Georgia Medicaid recipients, causing the cost of the medications to be billed to the Georgia Medicaid program, and resulting in an approximately \$1.1 million loss to state and federal taxpayers.

Georgia Attorney General Thurbert Baker said, "The defendant and his cronies not only defrauded Georgia's taxpayers, but they endangered the patients who were on the receiving end of these re-sold prescriptions. These medications must be handled and stored with extreme care to preserve their effectiveness, and street sellers aren't known for running hygienic operations. Prison is the appropriate place for Scott, and today's prison sentence sends a clear message that law enforcement will protect taxpayer resources and preserve the integrity of these critical treatment programs."

FBI Atlanta Special Agent in Charge Gregory Jones said, "Mr. Scott will now sit in prison for many years hopefully thinking about the crimes he committed and their full impact on the people that could have used the help that was, instead, diverted to his bank account through greed. Medicaid fraud and healthcare fraud in general cannot and will not be tolerated and the FBI recognizes these crimes for what they are, acts of greed and indifference to others."

Dr. Rhonda Medows, Commissioner of the Georgia Department of Community Health, which administers Georgia Medicaid, said, "This case is a perfect example of what government agencies can accomplish when they share information and partner on key initiatives. With an increasing number of people in need of health care, it is important

that we continue to work with our partners to ensure that we safeguard taxpayer dollars.”

SCOTT was sentenced to 12 years in federal prison, to be followed by 3 years of supervised release. There is no parole in the federal justice system. SCOTT was also ordered to pay \$1,142,720.67 in restitution to Georgia Medicaid. SCOTT was convicted of these charges on October 5, 2009, after a four-day jury trial.

According to Acting United States Attorney Sally Q. Yates, the charges, and other information presented in court: SCOTT directed and funded a health care fraud conspiracy between September 2005 and April 2006. SCOTT and his cousin, HEZRON D. COLLIE, 29, of Atlanta, Georgia, bought blank doctors' prescription pads from insiders at Emory University's Winship Cancer Institute and two other doctor's offices, one in Atlanta and one in Florida. SCOTT and COLLIE then bought names, dates of birth, and Medicaid numbers of dozens of Georgia Medicaid recipients, and forged approximately 164 doctors' prescriptions for Neupogen, a chemotherapy drug, and multiple medications used to treat HIV, using the patient Medicaid information. A one-month supply of Neupogen costs approximately \$10,000.

SCOTT and COLLIE then 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 recruited a pharmacist at one of the Publix pharmacies, and a pharmacy technician at one of the Kroger pharmacies, to help facilitate the scheme. The pharmacies billed approximately \$1.1 million to Georgia Medicaid for the cost of the medications that SCOTT and COLLIE fraudulently acquired. The evidence at trial also showed that after obtaining the medications, SCOTT and COLLIE transported them to South Florida for sale on the so-called “gray market,” in which there is significant demand for such medications.

SCOTT and COLLIE were indicted on December 16, 2008. On June 4, 2009, COLLIE pleaded guilty to one count of conspiracy and one count of health care fraud charged in the indictment, and to a criminal information charging him with one count of health care fraud for a related scheme in which he participated between May and June of 2008, and cooperated with authorities. COLLIE's sentencing is scheduled to take place before Judge Pannell tomorrow, Tuesday, December 15, 2009, at 10:00 a.m. The Publix pharmacist also cooperated with authorities and pleaded guilty to related charges in Gwinnett County Superior Court on January 13, 2009. The pharmacy technician was not charged in the scheme but cooperated with law enforcement. The pharmacies and the doctors also cooperated in the investigation.

The case was 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 was also provided by the Georgia State Patrol, Twiggs

County Sheriff's Office, Clayton County Sheriff's Office, Gwinnett County Police Department, and the Florida Department of Law Enforcement.

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

For further information please contact Sally Q. Yates, Acting 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 Home Page for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.