



Department of Justice

Carlton S. Shier, IV
Acting United States Attorney
Eastern District of Kentucky

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CONTACT: Gabrielle Dudgeon
PHONE: (859) 685-4887
E-MAIL: gabrielle.dudgeon@usdoj.gov

Pikeville Man Convicted of Wire Fraud and Healthcare Fraud

PIKEVILLE, Ky.- A Pikeville man was convicted on Monday by a federal jury in Pikeville for wire fraud and health care fraud.

After two hours of deliberation, following a five-day trial, the jury convicted 36-year-old Eugene Sisco III of one count of wire fraud and one count of health care fraud.

According to the evidence at trial, Sisco operated several medication assisted treatment (“MAT”) clinics in Pike, Floyd, and Harlan Counties that offered treatment to patients suffering from opioid addiction. These clinics were enrolled as providers in the Kentucky Medicaid program, and under Kentucky law were required to bill that insurance program for MAT services rendered to Medicaid patients. The evidence demonstrated that Sisco deceived patients into paying \$200-\$300 per month in cash for treatment at his clinics, despite having Medicaid insurance, by falsely claiming his clinics were not eligible to bill Medicaid for the counseling services they provided. The evidence at trial showed that the cash payments from patients totaled around \$5 million between May 2016 and October 2019. At the same time, Sisco caused his clinics to bill Medicaid for MAT services, receiving around \$5 million in reimbursements from that program as well.

The jury also found that Sisco engaged in a health care fraud scheme, by causing his laboratory, Toxperts, LLC, to bill for medically unnecessary urine drug testing of samples collected from patients at his clinics. The physician witnesses at trial testified that they did not order this urine drug testing, and that some of it was done at Sisco’s direction for billing purposes, as opposed to any medical reason. Sisco is not a doctor or medical professional.

Sisco was indicted in November 2020.

Carlton S. Shier, IV, Acting United States Attorney for the Eastern District of Kentucky; Jodi Cohen, Special Agent in Charge, FBI, Louisville Field Office; Daniel Cameron, Attorney General of Kentucky; and Col. Phillip Burnett, Jr., Commissioner, Kentucky State Police; announced the conviction.

The investigation was conducted by FBI, KSP, and the Office of the Attorney General, Office of Medicaid Fraud and Abuse. The United States was represented in the case by Assistant U.S. Attorney Paul McCaffrey.

Sisco will appear for sentencing on March 8, 2022 at 11 a.m. He faces a maximum of 20 years for the wire fraud charge and 10 years maximum for the health care fraud. However, the Court must consider the U.S. Sentencing Guidelines and the applicable federal sentencing statutes before imposing a sentence.

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