



Department of Justice

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Pikeville Man Sentenced for Wire Fraud and Healthcare Fraud

PIKEVILLE, Ky.- Eugene Sisco, III, 36, of Pikeville, Ky., was sentenced Tuesday to serve 125 months in prison by U.S. District Judge Robert E. Wier, after a jury convicted him in November 2021 of wire fraud and health care fraud.

According to the trial evidence, 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 certain services they provided. The evidence at trial showed that the cash payments from patients totaled around \$5 million between May 2016 and October 2019, most of it from Medicaid beneficiaries for whom the services should have cost nothing. At the same time, Sisco caused his clinics to bill Medicaid for MAT services, receiving millions 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. At sentencing, Judge Wier found that this fraud caused a loss of more than \$2 million to the Medicaid and Medicare programs.

Under federal law, Sisco must serve 85 percent of his prison sentence. In addition, Sisco was ordered to pay \$5.7 million in restitution. Sisco will be under the supervision of the U.S. Probation Office for three years, following his release from prison.

Carlton S. Shier, IV, 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 sentence.

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.

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