

SETTLEMENT AGREEMENT

I. PARTIES

This Settlement Agreement ("Agreement") is between the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General ("OIG-HHS") of the Department of Health and Human Services ("HHS") and the TRICARE Management Activity (TMA), a field activity of the Department of Defense, acting through the General Counsel of TMA, (collectively the "United States"); Terri L. Walton, D.P.M., and Arnold S. Ravick, D.P.M., (collectively the "Relators"); Joel Lang, D.P.M. P.A., a podiatrist licensed to practice podiatric medicine in the State of Maryland, and Joel Lang, D.P.M., P.A., a professional corporation organized under the laws of the State of Maryland (hereafter referred to as "the Parties"), through their authorized representatives.

II. PREAMBLE

As a preamble to this Agreement, the Parties agree to the following:

A. Dr. Joel J. Lang is a podiatrist who practiced podiatric medicine in Prince George's County, Maryland. Dr. Lang owned and operated Joel Lang, D.P.M., P.A., a professional association that provided podiatric services to patients in or around Prince Georges County, Maryland. He retired from practice on June 1, 1997.

B. On or about February 14, 1998, the relators, Terri L. Walton, D.P.M., and Arnold S. Ravick, D.P.M., filed a qui tam action against defendants, Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., pursuant to the qui tam provisions of the civil False Claims Act, 31 U.S.C. §§ 3729-3733, United States ex rel. Terri L. Walton and Arnold S.

Ravick, D.P.M. v. Joel Lang, D.P.M. and Joel Lang, D.P.M., P.A. Civ. Action No. AMD-98-557, (hereinafter the "Civil Action"). In their complaint, the Relators allege that defendants submitted to the United States false claims for reimbursement for podiatry services that were not rendered or were not rendered as claimed.

C. Thereafter, the United States initiated an investigation into the Relators' allegations. Based upon the United States' investigation, the United States contends that, during the period from January 1, 1994 through May 31, 1997, Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., knowingly submitted or caused to be submitted false claims for payment to the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395ggg (1999) and to the TRICARE program (also known as the Civilian Health and Medical Program of the Uniformed Services ("CHAMPUS")), 10 U.S.C. §§ 1071-1106., for podiatric services rendered to his patients. Specifically, the United States contends that Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., violated applicable Medicare regulations by billing for routine foot care services under various evaluation and management codes, including, CPT 99213 and 99214, and by billing for non-covered whirlpool services under various codes, including CPT 97022, when such services were not covered services under the Medicare and TRICARE/CHAMPUS Programs. The routine foot care and non-covered services provided by Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., included regular trimming and cutting of toenails and soaking of feet in a whirlpool bath (hereinafter referred to as the "Covered Conduct").

D. The United States contends that, based upon the conduct set forth in paragraph C above, it has certain civil claims against Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., under the False Claims Act, 31 U.S.C. §§ 3729-3733, the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a, the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812, and common law doctrines, for engaging in the Covered Conduct. The United States also contends that it has certain claims against Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., under the provisions for exclusion from the Medicare, Medicaid, and other federal health care programs, 42 U.S.C. § 1320a-7(a) and (b), and under provisions for exclusion from the TRICARE/CHAMPUS Program, 32 C.F.R. § 199.9, for the Covered Conduct.

The Parties reach a full and final settlement as set forth below.

III. TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the mutual promises, covenants, and obligations set forth below, and for good and valuable consideration as stated herein, the Parties agree as follows:

1. Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., agree to pay to the United States three hundred and one thousand dollars (\$301,000) (the "Settlement Amount") in resolution of the matters described in paragraphs B and C above. The Settlement Amount shall be paid by Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., to the Financial Litigation Unit, U.S. Attorney's Office, District of Maryland within five business days from the effective date of this Agreement, by electronic funds transfer made payable to

"Department of Justice." Except as noted in paragraph 2, below, the parties each shall pay and be responsible for their own costs and attorneys' fees.

2. In addition to the amount identified in Paragraph 1 herein, Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., agree to pay reasonable attorney's fees of thirty thousand dollars (\$30,000) and expenses of ten thousand dollars (\$10,000) incurred by the Relators in bringing this qui tam suit, pursuant to 31 U.S.C. § 3730(d), within seven (7) business days of the effective date of this Agreement, pursuant to the terms set forth in a separate agreement between the defendants and the relators.

3. Subject to the exceptions in Paragraph 5 below, in consideration of the obligations set forth in this Agreement, conditioned upon payment in full of the Settlement Amount by Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., the United States (on behalf of itself, its officers, agents, agencies and departments) releases Joel Lang, D.P.M., Joel Lang, D.P.M., P.A., and the current and former employees of Joel Lang, D.P.M., P.A., from any civil or administrative monetary claims the United States has or may have for claims submitted to the Medicare Program under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or common law theories of mistake, unjust enrichment, breach of contract and fraud for the Covered Conduct.

4. In compromise and settlement of the rights of the OIG-HHS to exclude Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., pursuant to 42 U.S.C. § 1320a-7a (1) and the right of TMA to exclude Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A.,

or former employees of Joel Lang, D.P.M., P.A., from any and all of the following: (a) any civil, criminal or administrative claims arising under Title 26, U.S. Code (Internal Revenue Code); (b) any criminal liability; (c) any liability to the United States (or its agencies) for any conduct other than the Covered Conduct; (d) any claims based upon such obligations as are created by this Agreement; (e) any civil or administrative claims against individuals, other than Joel Lang, D.P.M., including current or former directors, officers, employees, or agents of Joel Lang, D.P.M., P.A., who receive written notification that they are the target of a criminal investigation (as defined in the United States Attorneys' Manual), are criminally indicted or charged, or are convicted, or who enter into a criminal plea agreement related to the Covered Conduct; and (f) any express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services, provided by Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A.

6. The Relators assert that the settlement of the claims in the Civil Action are fair, adequate, and reasonable under all of the circumstances, pursuant to 31 U.S.C. §§ 3730(c)(2)(B) and 3730(d). The United States agrees to pay Terri L. Walton, D.P.M., and Arnold S. Ravick, D.P.M., the sum of Fifty-One Thousand One Hundred and Seventy Dollars (\$51,170) ("Relators' Share") from the Settlement Amount described in Paragraph 1 herein within a reasonable time after receipt by the United States of such payment. Upon receipt of payment of the Relators' share from the United States, Terri L. Walton, D.P.M. and Arnold S. Ravick, D.P.M., for themselves, their heirs,

successors, assigns, and agents, release and are deemed to have released and forever discharged the United States from any claims arising from or relating to the filing of the Civil Action, or pursuant to 31 U.S.C. § 3730(d)(1) for a share of the proceeds of the settlement of claims under this Agreement. Upon receipt of payment from the United States as described in this paragraph, Terri L. Walton, D.P.M. and Arnold S. Ravick, D.P.M., for themselves, their heirs, successors, assigns, and agents release and are deemed to have released and forever discharged Joel Lang, D.P.M., Joel Lang, D.P.M., P.A., and all present or former employees of Joel Lang, D.P.M., P.A., from any claims they have or may have that arise under or relate to any of the allegations in the Civil Action and/or the Covered Conduct, except claims or allegations set forth in the Complaint, Answer, Counterclaim, and Answer to Counterclaim filed by the parties in the action now pending in the Circuit Court for Prince George's County, Maryland, styled as Terri L. Walton et al. v. Joel Lang, et al. Case Number CAL 97-24410 (hereinafter the "PG Civil Action") shall not be precluded or released by this Agreement. This Agreement does not resolve or in any manner affect any claims the United States has or may have against the Relators arising under Title 26 of the United States Code (Internal Revenue Code) or any claims arising under this Agreement. Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., for themselves, their heirs, successors and assigns, release and forever discharge Terri L. Walton, D.P.M., and Arnold S. Ravick, D.P.M., for themselves, their heirs, successors and assigns, from any claims they have or may have that arise under or relate to any of the allegations in the Civil Action and/or the facts or conduct described in

Paragraphs B and C herein, except claims or allegations set forth in the Complaint, Answer, Counterclaim, and answer to Counterclaim filed by the parties in the PG Civil Action shall not be precluded or released by this Agreement.

7. Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., fully and finally release the United States, its agencies, employees, servants, and agents from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) which Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., have asserted, could have asserted, or may assert in the future against the United States, its agencies, employees, servants, and agents, related to the Covered Conduct, and the United States' investigation and prosecution thereof.

8. Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A. agree that all costs (as defined in the Federal Acquisition Regulations ("FAR") § 31.205-47 and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395ggg and 1396-1396v, and the regulations promulgated thereunder) incurred by or on behalf of Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., in connection with: (a) the matters covered by this Agreement, (b) the government's investigation of the matters covered by this Agreement, (c) Joel Lang, D.P.M.'s, and Joel Lang, D.P.M., P.A.'s investigation, defense, and corrective actions undertaken in response to the government's investigation in connection with the matters covered by this Agreement (including attorney's fees); (d) the negotiation of this Agreement, and (e) the payment made pursuant to this Agreement, are unallowable costs on government contracts and under the Medicare Program, Medicaid Program, TRICARE

Program, Veterans Affairs Program (VA), and Federal Employee Health Benefits Program (FEHBP) (hereafter, "unallowable costs"). These unallowable costs will be separately estimated and accounted for by Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., and Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., will not charge such unallowable costs directly or indirectly to any contracts with the United States or any state Medicaid program, or seek payment for such unallowable costs through any cost report, cost statement, information statement or payment request submitted by Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., to the Medicare, Medicaid, TRICARE/CHAMPUS, VA or FEHBP programs.

9. This Agreement is intended to be for the benefit of the Parties only. By this instrument the Parties do not intend to create a benefit for any other party or entity and do not waive, compromise or release any claims against any other person or entity.

10. Each party to this Agreement will bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement, except as provided in Paragraph 2 herein regarding the payment of the Relators' attorneys' fees and costs under 31 U.S.C. § 3730(d).

11. Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., represent that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

12. This Agreement is governed by the laws of the United States. The Parties agree that the exclusive jurisdiction and venue for any dispute arising between and among

the Parties under this Agreement will be the United States District Court for the District of Maryland.

13. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

14. The undersigned individual signing this Agreement on behalf of Joel Lang, D.P.M., P.A., represents and warrants that he is authorized by Joel Lang, D.P.M., P.A., to execute this Agreement. The undersigned United States signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement.

15. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same agreement.

16. This Agreement is effective on the date of signature of the last signatory to the Agreement. Notice of the date of the last signatory shall be provided promptly to counsel for Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A. upon signature.

17. Joel Lang, D.P.M., and Joel Lang, D.P.M., P.A., hereby consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

ON BEHALF OF
The United States of America:

LYNNE A. BATTAGLIA
United States Attorney
District of Maryland

Dated: 8-30-00

By:



S. HOLLIS FLEISCHER
Assistant United States Attorney
Office of the United States Attorney
For the District of Maryland
6625 U.S. Courthouse
Baltimore, MD 21201

Dated: _____

By:

LEWIS MORRIS
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and
Human Services
330 Independence Avenue, S.W.
Washington, D.C. 20201

DATED: _____

BY:

ROBERT L. SHEPHERD
Deputy General Counsel
TRICARE Management Activity
United States Department of Defense
16401 E. Centretech Parkway
Aurora, CO 80011-9043

Dated: 08/30/00


JOEL LANG, D.P.M.

6424 Forest Road
Cheverly, MD 20785

Dated: 08/30/00


JOEL LANG, D.P.M., P.A.

Formerly located at:
6839 Riverdale Road, Suite 1A
Riverdale, MD 20373

ON BEHALF OF
The United States of America:

LYNNE A. BATTAGLIA
United States Attorney
District of Maryland

Dated: _____

By: _____

S. HOLLIS FLEISCHER
Assistant United States Attorney
Office of the United States Attorney
For the District of Maryland
6625 U.S. Courthouse
Baltimore, MD 21201

Dated: 8/30/00

By: _____

LEWIS MORRIS
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and
Human Services
330 Independence Avenue, S.W.
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16401 E. Centrotech Parkway
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Dated: _____

JOEL LANG, D.P.M., P.A.
Formerly located at:
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ON BEHALF OF
The United States of America:

LYNNE A. BATTAGLIA
United States Attorney
District of Maryland

Dated: _____

By: _____

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Assistant United States Attorney
Office of the United States Attorney
For the District of Maryland
6625 U.S. Courthouse
Baltimore, MD 21201

Dated: _____

By: _____

LEWIS MORRIS
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and
Human Services
330 Independence Avenue, S.W.
Washington, D.C. 20201

DATED: 8-29-00

BY: _____


ROBERT L. SHEPHERD
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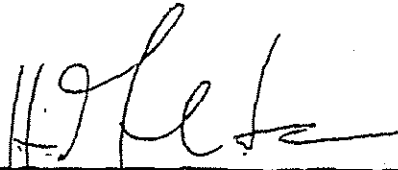
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Dated: _____

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Formerly located at:
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Dated: 8/30/00



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Counsel for Relators

Dated: 8/30/00



TERRIL L. WALTON, D.P.M.
13623 Montvale Drive
Silver Spring, MD 20904
Relator

Dated: 8/30/00



ARNOLD S. RAVICK, D.P.M.
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