

NEWS RELEASE



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TWO MEMBERS IN HEALTHCARE FRAUD RING SENTENCED IN FEDERAL COURT

*Two Houston women paid in excess of \$100,000 by
company for role in healthcare fraud scheme*

Lafayette, Louisiana . . .United States Attorney Donald W. Washington announced that two defendants in a healthcare fraud ring were sentenced today in federal court by United States District Judge Rebecca Doherty. **PEARLIE WARFIELD**, age 56, from Houston, Texas was sentenced to 15 months imprisonment to be followed by 3 years supervised release for conspiracy to commit healthcare fraud. She was also ordered to pay restitution in the amount of \$ 2,276,876.50. **VERONDA S. WARFIELD**, age 38, from Houston, Texas, was sentenced to 3 years supervised release for violation of the Anti-kickback Statute. **VERONDA WARFIELD** was ordered to pay restitution in the amount of \$10,311.

The Federal Anti-Kickback Statute prohibits anyone from either paying or being paid money in exchange for the referral of patients covered by a federally funded health care program such as Medicare or

Medicaid.

PEARLIE WARFIELD, VERONDA WARFIELD, Obot Nelson Udoh, and Christie O. Udoh were indicted on 75 counts of healthcare fraud in November 2004 following an investigation by United States Department of Health & Human Services and Federal Bureau of Investigation into a scheme of providing motorized wheelchairs and scooters to people who did not have a legitimate medical reason to have them. The scheme resulted in Medicare reimbursing Obot Nelson Udoh's company millions of dollars to which it was not legally entitled to receive.

PEARLIE WARFIELD was an employee of Legend Medical Services, a medical equipment company located in Houston, Texas and owned by Christie and Nelson Udoh. Legend Medical Services provided wheelchairs and motorized scooters to persons receiving Medicare benefits. From July 2002 through August 2003, Legend Medical Services billed Medicare \$7,538,559.29 and received \$3,914,271.18 as reimbursement for providing K0011 powered wheelchairs to more than 1000 Medicare beneficiaries. A K0011 is a powered wheelchair that has programmable controls. The K0011 wheelchair is typically prescribed only for paraplegics and individuals who are unable to walk over a long period of time.

PEARLIE WARFIELD and VERONDA WARFIELD recruited Medicare beneficiaries in the south Louisiana area on behalf of Legend Medical Services. The WARFIELD's fraudulently told Medicare beneficiaries that the government was giving away free wheelchairs and/or scooters to Medicare recipients. Medicare rules require that a licensed physician must order and/or prescribe the powered wheelchair for individuals who experience extreme difficulty in walking. The physician must sign a document attesting that the equipment is medically needed by the beneficiary. However, PEARLIE WARFIELD told the Medicare beneficiaries that Medicare did not require them to see a doctor in order to receive the wheelchair/scooter. VERONDA WARFIELD copied the Medicare beneficiary's paperwork and forwarded

it Obot Nelson Udoh for processing.

PEARLIE WARFIELD and VERDONDA WARFIELD were paid a total of \$109,489.74 by Legend Medical Services in a six-month period for recruiting medicare beneficiaries.

Obot Nelson Udoh was tried by a jury in May 2006 and found guilty of 11 counts of healthcare fraud and 1 count of conspiracy. He faces up to 10 years federal imprisonment, a fine of up to \$250,000 and a term of supervised release of not more than 3 years when sentenced. Christie Udoh was scheduled to be tried with Obot Udoh in May, but pleaded guilty on the morning of the trial to misprision of a felony.

Sentencing in federal court is determined by the discretion of federal judges and the governing statute. Parole has been abolished in the federal system.

The case was prosecuted by Assistant United States Attorney Kelly P. Uebinger.

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