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Texas AG announces arrest of 33 in Medicaid fraud case

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HOUSTON - More than 30 people have been charged with Medicaid fraud after allegedly getting \$7.7 million in reimbursement for medical supplies through inflated billing or false claims from unwitting patients, Texas Attorney General Greg Abbott said Thursday.

The 33 charged were connected to Houston-area businesses that had falsely billed for adult diapers, wheelchairs, and other medical supplies, Abbott said. Anyone found guilty of stealing more than \$100,000 could face up to life in prison on the felony charges.

"This is one of the largest operations we've seen," Abbott said.

The suspects, mostly from Nigeria, are believed to be loosely connected. Sixteen arrests have been made this week, Abbott said. Eight were still at large overseas.

The investigation showed that "fraud, abuse and stealing in the Medicaid system is very rampant," he said. "We are sending a message: Texas taxpayers will not tolerate criminals who steal from the Medicaid system."

The state's budget for the federal insurance program for low-income citizens totals about \$17 billion. Fraud, abuse and waste account for up to 10 percent of that, Abbott said.

"We're talking about a billion-dollar-a-year issue," Abbott said.

This week's arrests grew from complaints to the Texas Health and Human Services Department. Some of the victims - mostly senior citizens - learned about the scam when they tried to buy supplies and were told they had used up their Medicaid allotment, Abbott said.

The suspects either grossly overbilled for the services or submitted claims for people who did not request them, according to an investigation involving 27 agents and upward of 1,200 interviews. Most of the time, the fraudulent claims were for no more than \$5,000 at a time and were spread among legitimate bills filed to Medicaid for repayment.

"As a result of this scam, we're realizing that it is so very easy for people to get into the business of submitting these Medicaid claims," Abbott said.

He said his office is looking into stiffening the requirements but is wary of complicating the process for people seeking the services.

The Harris County District Attorney's Office will prosecute the cases.