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Accounting fraud case dropped against LA executive

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LOS ANGELES- Federal prosecutors have dropped charges against a former regional vice president of a Florida-based health software and services firm who was accused of inflating the company's earnings over a four-year period.

Maxie Juzang of Los Angeles was indicted in December 2005 with nine other executives of Medical Manager Health Systems, a former subsidiary of WebMD. Prosecutors accused the executives of boosting earnings by more than \$16.8 million between 1997 and 2001.

Court records show the case against Juzang was dismissed Monday.

The fraudulent accounting practices alleged in the indictment included inflating quarterly revenue in order to beat analysts' expectations and boost the market price of Medical Manager and WebMD stock.

The company also was accused of including revenue already reported by acquired companies as "deferred revenue" of Medical Manager, and then re-reporting that revenue on future statements.

Charges were filed by the U.S. attorney's office in South Carolina. It was not known why the case against Juzang were dropped. Prosecutors could not be reached for comment.

Juzang had been charged with one count of conspiracy to defraud the government and one count of money laundering. In a statement, Juzang said the decision by prosecutors "to drop the charges against me shows that the justice system really can work. I look forward to getting back into the business world and putting this all behind me."

Eight of the executives—including former chairman and chief executive Michael Singer, of Alachua, Fla., and former president John Kang, of Trabuco Canyon, Calif.—have been charged with conspiracy to commit mail, wire, and securities fraud and conspiracy to commit money laundering.

Four other former Medical Management executives pleaded earlier in 2005 to fraudulent accounting practices and taking kickbacks in connection with the alleged scheme.