

Whistling different tunes

In the 12 most recent cases in which Western Pennsylvanians have sued under the False Claims Act, federal attorneys have gotten involved five times. The act allows whistleblowers to sue on behalf of the federal government when they see fraud against the government. The person suing then gets a cut of any settlement or judgment.

DATE FILED	WHISTLEBLOWERS	DEFENDANT	ACCUSATION	DID U.S. INTERVENE?	STATUS	RECOVERED FEDERAL FUNDS	PAYMENT TO WHISTLE-BLOWER
Aug. 25, 2003	Mark A. Landsberg, Sharon L. Burke	Argentis Medical, other firms and physicians	Argentis and others conducted unnecessary ultrasound tests on pregnant women who were not high-risk patients resulting in unwarranted bills to government programs.	No	A federal judge entered a judgement of \$6,323,000 against the defendants, but it has not yet been collected.	No recovery due to defendant bankruptcies	None to date
Sep. 25, 2003	Marc A. Landsberg, Sharon L. Burke	Lake Erie Women's Center and its doctors	Center exaggerated patients' medical problems to justify unnecessary and duplicative tests for which government programs were billed.	Yes, just before settlement	Settled in 2011	\$1,900,000	Not released
Oct. 21, 2003	August W. Arnold	CMC Engineering and other engineering firms	PennDOT hired CMC on federally funded highway projects. Former PennDOT employee Mr. Arnold said that CMC inspectors lacked required credentials and therefore the firm was overbilling.	No	CMC won summary judgment dismissing the case, but Mr. Arnold is appealing. Four other defendants settled.	\$100,000	Not released
July 2, 2004	Dilbagh Singh, three other doctors	Bradford Regional Medical Center, a medical firm and two doctors	The Center rented an unnecessary nuclear camera for \$30,000 a month from other defendants as a kickback in return for referrals, which resulted in false claims against federal programs.	Yes	The Center settled, and a civil trial in the claims against the physician defendants is set to start March 31.	\$2,750,000	\$797,500
June 9, 2006	Kirk French	Innovation Works, formerly Ben Franklin Technology Center	Ben Franklin Technology Center ran a business incubator funded with state and U.S. Navy funds. Executives spent some \$1.5 million inappropriately.	No	Innovation Works settled in 2007. Whistleblower accepted reduced share.	\$950,000	\$100,000
April 5, 2007	Lynntoya Washington, Michael T. Mahoney	Education Management LLC (EDMC) and its member institutions	EDMC paid recruiters based on the number of new students enrolled, in violation of federal law, helping it to obtain \$11 billion in federal student aid.	Yes	EDMC has denied the accusation and litigation continues.	None to date	None to date
Jan. 28, 2010	Jason Sobek	Education Management LLC (EDMC) and three member institutions	EDMC misrepresented accreditation of some programs, job placement statistics and student academic progress, resulting in receipt of federally guaranteed student loans and grants.	No	EDMC has denied the accusations, and settlement negotiations are ongoing.	None to date	None to date
April 22, 2010	Jeffrey Campbell	Alliant Techsystems (ATK) and five subsidiaries or other ammunition firms	ATK sold ammunition to federal agencies despite the ammunition failing to meet contractual standards.	Yes	The defendants settled, but the two sides continue to dispute the amount of attorney fees owed.	\$305,107	Not released
Sep. 10, 2010	Betty L. Davis	Point Park University, various employees	University improperly administered federal student aid by denying aid to needy part-time, nonresident students.	No	Settled in 2011	\$1,400,000	\$420,000
Oct. 10, 2010	Tullio Emanuele	Medicor Associates, The Hamot Medical Center of the City of Erie	Doctors at Medicor billed Medicaid for cardiac procedures that were not medically necessary, and Hamot gave the doctors sham contracts to ensure referrals for cardiac procedures.	No	The defendants have denied the accusations and discovery and mediation are ongoing.	None to date	None to date
Oct. 19, 2010	Constance Lytle	AT&T Communications	AT&T allowed scammers to use the telecommunications relay service for hearing-impaired people, while collecting Federal Communications Commission funds meant to support the service.	Yes	AT&T denied wrongdoing but resolved the case.	\$3.5 million	\$525,000
Nov. 2, 2012	Northside Coalition for Fair Housing, Hill District Consensus Group, Fair Housing Partnership of Greater Pittsburgh and Freedom Unlimited	City of Pittsburgh, former mayor Luke Ravenstahl	The city under Mr. Ravenstahl spent federal funds meant for low-income neighborhoods and desegregated housing instead on citywide infrastructure. City also failed to properly study impediments to fair housing.	No	Attorney for the groups wants to discuss settlement with new Mayor Bill Peduto's administration.	None to date	None to date