**PacifiCare Health Systems**

In April 2002, DOJ announced that PacifiCare Health Systems had agreed to pay $87.3 million to settle allegations that the Santa Ana, California-based health insurer and its predecessor companies submitted false claims to the Office of Personnel Management. The Government alleged that PacifiCare, through its subsidiaries, submitted inflated claims pursuant to contracts in effect between 1990 and 1997 under the Federal Health Benefits Program. PacifiCare allegedly violated applicable regulations by charging the Government higher rates than similarly situated commercial customers. In addition to resolving the Government’s claims, this settlement also resolves the *qui tam* claim brought by whistleblower Valerie Fletcher, a former PacifiCare employee, in 1998. Ms. Fletcher will receive a relator’s share of roughly $3.5 million. Bradley Weiss (Highland Park, Ill.) and Judson Miner of Miner, Barnhill & Galland, P.C. (Chicago) represented the relator. OPM OIG investigated the matter. Assistant U.S. Attorneys Rudolph Contreras and Doris Coles-Huff represented the Government, along with Daniel Spiro, Sondra Mills, and Sheryl Floyd of DOJ’s Civil Division.

**Mariner Post-Acute Network, Inc.**

In April 2002, Mariner Post-Acute Network, Inc. reportedly agreed not to seek reimbursement of $26 million in administrative costs from CMS, in return for the Government’s agreement to drop its FCA claim for the same amount. CMS owed Mariner $29 million for the administrative claims, but paid Mariner only $3 million pending resolution of the FCA matter. Mariner filed for bankruptcy under Chapter 11 in November 2001. Under the terms of the settlement, the company will enter a five-year corporate integrity agreement.

**U.S. ex rel. Moradi v. Community Health Ass’n, No. 2:01-1282 (S.D.W.V.)**

In April 2002, Jackson General Hospital reportedly agreed to pay $765,000 to settle a *qui tam* suit alleging that the West Virginia hospital submitted false claims to Medicare and Medicaid. According to the complaint, the hospital made payments for physician self-referrals in violation of the Stark and anti-kickback statutes, and submitted claims purportedly for physician services that were actually performed by unauthorized practitioners. The Government announced its intervention and the complaint was unsealed at the same time that the settlement agreement was filed with the court. Under the terms of the settlement, the hospital will enter a five-year corporate integrity agreement that is based on a previous compliance plan. Hamid Moradi, a former employee of the hospital, filed this *qui tam* action. The relator’s share is $153,000 or 20%. Nancy Hill of Winter, Johnston & Hill (Charleston, W. Va.) represented the relator. Assistant U.S. Attorneys Carol Casto and Anna Crawford represented the Government.

**Lockheed Martin Services, Inc. (E.D. Va.)**

In April 2002, Lockheed Martin Services, Inc. agreed to pay $530,000 to settle allegations that it overcharged the Department of Defense. A government investigation determined that Lockheed billed the National Imagery and Mapping Agency (NIMA) for the work of approximately 23 employees who did not meet the minimum qualifications for their positions. Accordingly, the Government alleged, Lockheed billed for their services at a higher rate than was permitted. The DCIS, the FBI, and the NIMA OIG investigated the matter. Assistant U.S. Attorney Gerard Mene represented the Government.