

FraudAlert!

Helping keep the promise.



December 2012 • Volume 16, No. 5

• Coalition of Wisconsin Aging Groups Elder Law Center

From the Project Director. Elizabeth Conrad

Let's Get Acquainted

By Judy Steinke, Wisconsin SMP Volunteer Coordinator

Wisconsin SMP (Senior Medicare Patrol) is pleased to introduce Chris Yelich of Watertown as this month's featured volunteer.

Recruited by her friend, Georgine Dluzak, Chris has been volunteering since May 2011. Her background in medical technology and high school science education has been an asset to the program.

While teaching, Chris developed Science Capsule, a program for elementary students. The Science Capsule program was marketed throughout Wisconsin and several other states. This experience made her aware of the need for an organization for teachers who wanted to be in business for themselves and market their services and products. Chris and three partners then formed the Association of Educators in Private Practice, and she was the executive director of this organization for ten years. The organization continued to grow and is now known as the Education Industry Association, and it is headquartered in the Washington, D.C. area.

When asked why she volunteers, Chris responded, "I like to feel productive and volunteering is one way that I can put my time and knowledge to good use. Medicare is such an important program for seniors so the SMP gives me a chance to help by making folks aware of fraud."

Chris also volunteers at her local senior center during the Part D annual enrollment period, and she serves as the technology chair for the local chapter of an international women's group that provides scholarships and loans for women who want to further their education.

Continued on page 2

FRAUD ALERT! • Coalition of Wisconsin Aging Groups Elder Law Center

**Wisconsin SMP
In this issue:**
**Let's Get Acquainted with Chris Yelich,
SMP Volunteer**
**Efforts to Combat Fraud Continue to
Yield Positive Results in Wisconsin
DATCP Consumer Alert**
**Sheboygan County Thief Uses
Obituaries to Target Burglaries**
**Attorneys General Reach a \$90 Million
Settlement with GlaxoSmithKline**
**GAO Report Reveals Largest Violators
of Healthcare Fraud**
Latest Twist in Ransomware Scam
Most Vets Unaware of Benefits
**Regulators Crack Down on Deceptive
Mortgage Ads**
CWAG & SMP Activities

Published and distributed by the Coalition of Wisconsin Aging Groups Elder Law Center funded in part by grant #90MP0187 from the Administration on Aging, Department of Health and Human Services. Grantees undertaking projects under government sponsorship are encouraged to express freely their findings and conclusions. Points of view or opinions do not, therefore, necessarily represent official Administration on Aging Policy.

EDITOR AND PROJECT DIRECTOR
Elizabeth Conrad

PRODUCTION ASSISTANT
Lisa Turner

This publication may be reproduced
ONLY in its entirety. Permission to excerpt portions
must be obtained prior to use.

© 2012 CWAG. All rights reserved.



Coalition of Wisconsin Aging Groups
Advocacy ■ Membership ■ Elder Law

2850 Dairy Drive
Madison, WI 53718-6742
608-224-0606

www.cwag.org • econrad@cwag.org

Let's Get Acquainted *continued*

When not volunteering, Chris enjoys playing bridge and traveling. She and her husband, John, have two children and one grandson. Their travels include visiting their son and his wife in New Mexico and their daughter and her family in Kansas. Chris shared that their "bucket list" includes visiting all 50 states, and they have eight left to see.

Wisconsin SMP thanks Chris for her dedication to education and our project. Thanks, too, to Georgine, for recruiting her as a volunteer. We are lucky to have both of you on the team!

Efforts to Combat Fraud Continue to Yield Positive Results in Wisconsin **By Kevin Brown, Wisconsin SMP Capacity Building Grant Manager/Trainer**

On November 27, the U.S. Department of Health and Human Services (HHS) Office of Inspector General (OIG) announced expected recoveries of about \$6.9 billion from audits and investigations in fiscal year 2012. This total includes \$923.8 million in audit receivables and \$6 billion in investigative receivables. OIG also excluded 3,131 individuals and entities from participation in federal health care programs in FY 2012. Historically, about 80% of OIG's resources are directed to work related to Medicare and Medicaid.

There is also good news on the fight against healthcare fraud at the state level. A new report from Public Citizen found that states are now collecting a record amount in fines levied against pharmaceutical companies for fraudulent behavior. According to the report, "Pharmaceutical Industry Criminal and Civil Penalties: An Update," the rise in settlements is likely due to an increase in the scale of fraud committed by the drug industry and, more importantly, increased enforcement of current laws, such as the False Claims Act, to crack down on the wrongdoing.

In the past five weeks alone, Wisconsin Attorney General J.B. Van Hollen has announced that he and attorneys general from other states had obtained settlements with two drug companies, GlaxoSmithKline (GSK) and Pfizer, totaling more than \$132 million to resolve allegations that they had unlawfully promoted their drugs (Avandia, Zyxov, and Lyrica). Under the settlements, Wisconsin will receive over \$3.2 million.

Throughout the year, Wisconsin SMP (Senior Medicare Patrol) has highlighted important victories in the fight against healthcare fraud in this publication. As 2012 draws to a close, we'd like to remind you of some of the other successful fraud prosecutions that occurred in our state this year:

- Odyssey Healthcare Inc., one of the largest providers of hospice care in the nation, agreed to pay \$25 million to settle a Medicare fraud case that was initiated after a former company nurse in Milwaukee filed a whistle-blower suit.
- The State of Wisconsin received \$9.6 million as part of its share of a multi-state settlement with GSK for promoting two popular drugs (Paxil and Wellbutrin) for unapproved uses and failing to disclose safety information on a third (Avandia).
- Seven Milwaukee residents were convicted of defrauding the Wisconsin Medicaid program out of more than \$1 million by filing bogus claims for mechanical devices to support weakened limbs, which were never provided.
- Precious Transit, a medical transportation company in Milwaukee, was convicted of 18 counts of Medicaid fraud for falsifying ride records.

- Anthony Anglin, a resident of Monroe, was convicted of Medicaid fraud for billing the program for transportation services his company never provided.

Thank you, Wisconsin SMP volunteers and professional partners, for all your hard work on behalf of our project in 2012. You are truly making a difference in the fight against fraud in our state. We wish you a joyous holiday season and look forward to working with you in 2013.

Reprinted with permission of the Wisconsin Department of Agriculture, Trade and Consumer Protection

December 19, 2012

DATCP Consumer Alert: Questionable Robocalls Targeting Wisconsin Seniors

MADISON – Callers representing themselves as “Senior Emergency Care,” “Senior Safety Alert” and “Senior Safe Alert” have recently pounded Wisconsin homes with prerecorded telephone calls pitching personal emergency alert systems. The Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) asks Wisconsin residents to hang up on these harassing calls.

These groups are not registered telemarketers in Wisconsin. The calls show on caller ID units as having a 262 or 608 area code, but the numbers might be spoofed or misrepresented. DATCP has received a number of complaints against these three groups, with most of the complaints coming from the Madison, Milwaukee and Fox Valley areas.

These groups may be trying to sell a questionable product that is tied to a recurring fee. The calls seem to be following the pattern of similar robocall scenarios targeting seniors around the country. In those instances, the recordings have claimed that their product is free – but the company charges consumer around \$30 per month for service.

Unfortunately, it is also possible that these calls are “phishing” scams seeking credit card numbers and any other personal information that they can get from the call recipients. Again, your best defense is to simply hang up the phone.

For more information or to file a consumer complaint, visit <http://datcp.wisconsin.gov>, send an e-mail to datcph hotline@wisconsin.gov or call the hotline toll-free at [1-800-422-7128](tel:1-800-422-7128).

Sheboygan County Thief Uses Obituaries to Target Burglaries

A Sheboygan Falls man accused of using obituary notices to burglarize homes of the recently deceased has pleaded no contest to four theft-related charges. He still faces an additional 38 charges.

The 62-year-old man pleaded no contest to felony theft of a firearm, two felony counts of armed burglary, and misdemeanor criminal damage to property. However, defense attorney Richard Hahn stated that he plans to appeal the decision. He argued that the items that were allegedly stolen and found in the man’s home were illegally seized because officials did not have a warrant, but the judge said the defendant’s wife had given police permission to search their property.

Prosecutors said that the stolen goods often came from homes where estate sales were being held or where family members were attending a funeral.

Source: Milwaukee Journal Sentinel (November 30, 2012)

Reprinted with permission of the Wisconsin Attorney General's Office

November 15, 2012

Attorney General J.B. Van Hollen and 37 Other Attorneys General Reach a \$90 Million Settlement with GlaxoSmithKline LLC Concerning Avandia

Attorney General J.B. Van Hollen announced today that he and 37 other Attorneys General reached a \$90 million Consent Judgment with GlaxoSmithKline LLC to resolve allegations that GlaxoSmithKline unlawfully promoted its diabetes drug Avandia®, with Wisconsin receiving \$2,024,775.48. The Attorneys General allege that GlaxoSmithKline engaged in untrue, deceptive, and misleading practices by misrepresenting Avandia's cardiovascular risks and safety profile.

“It is unlawful in the State of Wisconsin to make false and deceptive representations about the material effects of a drug,” Van Hollen said. “When aggressive pharmaceutical marketing misrepresents known risks of a drug or deceptively markets positive attributes of a drug that are not supported by the scientific data, consumers and doctors alike are unable to make informed choices about the risks of taking the medication. These violations of the law can have dangerous consequences and will be prosecuted by this office.”

As part of the Consent Judgment, GlaxoSmithKline agreed to reform how it markets and promotes diabetes drugs. Under the Consent Judgment, GSK may not:

- Make any false, misleading, or deceptive claims about any diabetes drug;
- Make comparative safety claims not supported by substantial evidence or substantial clinical experience;
- Present favorable information previously thought of as valid but rendered invalid by contrary and more credible recent information;
- Promote investigational drugs; or
- Misuse statistics or otherwise misrepresent the nature, applicability, or significance of clinical trials.

The Consent Judgment also has the following terms that are effective for at least eight years:

- GSK must post summaries of all GSK-sponsored observational studies or meta-analyses conducted by GSK that are designed to inform the effective, safe, and/or appropriate use of its diabetes drugs;
- GSK shall post summaries of GSK-sponsored clinical trials of diabetes products within eight months of the primary completion date;
- GSK shall register and post all GSK-sponsored clinical trials as required by federal law; and
- GSK shall comply with the International Committee of Medical Journal Editors (ICMJE) Uniform Requirements for Manuscripts submitted to Biomedical Journals.

Under the settlement Wisconsin shall receive \$2,024,775.48.

The investigation was led by the Attorneys General of Oregon and Illinois with an Executive Committee consisting of the Attorneys General of Arizona, Florida, Maryland, Pennsylvania, Tennessee, and Texas. Also participating in the settlement are Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Idaho, Iowa, Kansas, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Rhode Island, South Dakota, Vermont, Washington and Wisconsin.

The State was represented by Assistant Attorney General Lara Sutherlin.

Copies of the Complaint and Consent Judgment are available at the following links:

[Summons and Complaint](#)

[Consent Judgment](#)

GAO Report Reveals Largest Violators of Healthcare Fraud

Kathleen King, Director of Health Care for the U.S. Government Accountability Office (GAO), revealed the biggest violators of healthcare fraud in testimony before the House Committee on Energy and Commerce's Subcommittee on Health in late November.

King's comments stemmed from a GAO report on healthcare fraud conducted in September 2012, analyzing criminal and civil fraud cases in Medicare, Medicaid, and CHIP (Children's Health Insurance Program) in 2010 and her eight years of experience working on fraud, waste, and abuse in health care programs.

According to the Department of Health and Human Services' Office of Inspector General (HHS-OIG), common healthcare fraud schemes involve providers or suppliers billing for services or supplies not provided or not medically necessary, intentionally billing for a higher level of service than provided, misreporting data to increase payments, paying kickbacks to providers for referring beneficiaries for specific services or to certain entities, or stealing providers' or beneficiaries' identities.

In July 2011, CMS implemented its Fraud Prevention System (FPS), which utilizes predictive analytic models, resulting in automatic alerts on high-risk claims and health care providers. The system is designed to help identify suspicious claims and stop fraudulent payments before they are made.

In October, the GAO performed an analysis to assess the implementation and use of the FPS, and the degree to which CMS has defined and measured benefits and performance goals for the system.

“Although CMS has taken some important steps to identify and prevent fraud, more remains to be done to prevent making erroneous Medicare payments because of fraud,” said King. “It's critical that CMS implement and make full use of new authorities granted by [the Affordable Care Act], as well as incorporate recommendations made by the OIG, and the HHS-OIG in these areas.”

According to the OIG, of the 7,848 individuals and entities investigated in criminal healthcare fraud cases, 18 percent were medical facilities (e.g., medical centers, clinics, and practices), 16 percent were durable medical equipment suppliers, and three percent were beneficiaries of health care programs.

The majority of criminal fraud investigations were not referred to the Department of Justice by HHS-OIG for prosecution. Of the 1,086 individuals and entities charged in criminal fraud cases, 925 were found guilty, pleaded guilty, or pleaded no contest to some or all of the charges. The most frequent subjects of the prosecuted cases were medical facilities (18.7 percent) and durable medical equipment suppliers (18.5 percent).

The most frequent targets in civil fraud cases, including those that resulted in judgments or settlements, were hospitals and medical facilities. Hospitals constituted 20 percent of the 2,339 civil fraud cases investigated in 2010, and medical facilities accounted for 18 percent. Forty-seven percent of the civil fraud cases resulted in an enforcement action.

According to the report, among the 1,087 individuals and entities pursued in a civil fraud case, 602 ended in a judgment or settlement for the government or relator. None of civil fraud cases involved beneficiaries of health care programs.

The GAO continues to investigate the work of CMS. “We are investing significant resources in a body of work that assesses CMS efforts to refine and improve its fraud detection and prevention efforts,” said King. “Notably, we are assessing the effectiveness of different types of prepayment edits in Medicare and of CMS’s oversight of its contractors in implementing those edits to help ensure that Medicare pays claims correctly the first time.”

In its semi-annual report to Congress, OIG stated that at least \$64 billion was lost to Medicare fraud in 2011. “Because of the amount of program funding at risk,” said King, “fraud will remain an inherent threat to Medicare, so continuing vigilance to reduce vulnerabilities will be necessary.”

Source: ComplianceWeek.com (December 3, 2012)

Latest Twist in Ransomware Scam: Using IC3 Name to Extort Money

Cyber-criminals are using a new extortion technique to deliver Reveton ransomware. The most recent version of the ransomware is using the name of the Internet Crime Complaint Center (IC3) to scare victims into sending money to the perpetrators. Besides instilling a fear of prosecution in the victim, this version of the malware also alleges that the user’s computer activity is being recorded using audio, video, and other devices.

The new malware lures its victims to a drive-by download website, where the ransomware is installed on the user’s computer. After it is installed, the victim’s computer freezes and a screen is displayed warning the user that they have violated U.S. law. The message goes on to say that a law enforcement agency has established that a computer using the victim’s IP address has accessed child pornography and other illegal content.

In order to unlock the computer, the user is instructed to pay a fine using prepaid money card services. The geographic location of the user’s PC determines which payment services are available, and the

malware continues to operate on the computer and can be used to commit online banking and credit card fraud.

IC3 warns computer users that this is not a genuine communication from the agency, but rather is an attempt to extort money. If you have received this message or a similar one, do not follow payment instructions.

It is recommended that you:

- File a complaint at www.IC3.gov.
- Keep operating systems and legitimate antivirus and antispyware software updated.
- Contact a reputable computer expert to assist with removing the malware.

Source: Internet Crime Complaint Center (November 30, 2012)

Most Veterans Unaware of Available Benefits

More than half of America's veterans state that they have little or no understanding of the benefits due to them, despite efforts over recent years to match returning soldiers with the help and services they need.

An analysis of U.S. Department of Veterans Affairs survey data uncovered that younger veterans, those who served in the post-September 11, 2001, war period, are more knowledgeable about their benefits. However, even among those veterans, 40% say that they have little or no understanding of their benefits.

VA officials said that they are working hard to increase benefit awareness and have taken steps in recent years to do so. "We want to accept them into the VA. We want to help them," said Joseph Curtin, the VA's director of outreach.

One important change occurred in November when a new law went into effect mandating that all departing service members go through a series of detailed benefits sessions. Up until then, participation in such sessions varied by service and was often optional. The VA had been reaching 150,000 service members per year, but with the mandatory sessions, that is expected to rise to 307,000.

America's veterans are eligible for a variety of benefits, ranging from access to the VA's well-regarded medical system to lifetime payments for disabilities suffered during military service to access to education, life insurance, and home loan programs.

But VA data show that participation differs widely by geography. In addition, a veteran's understanding of what is available varies greatly by period of service.

When asked about the VA's benefits, veteran's responses are all over the map, depending on their age and the benefit in question. Among all veterans 59% stated that their understanding of available benefits was "a little" or "not at all," according to an analysis of the VA's survey data conducted by McClatchy Newspapers.

There were some wide swings:

- Among older veterans, including those from Vietnam, Korea, and World War II, 55% or more have little or no understanding of their benefits; among veterans from the period between Korea and Vietnam, lack of understanding rose to 65%.
- When asked specifically about life insurance benefits, 80% stated that they have little or no understanding of them, including 62% who said they have no understanding at all.
- When asked about education benefits, younger veterans, who would be the most likely to use them, have a far better understanding of what is available than older service members. Despite that, 41% said they have little or no understanding of those benefits, which include various different and sometimes overlapping programs.

In 2011, the Government Accountability Office (GAO) pointed to the complexity of the VA's education programs as a possible factor that kept more veterans from participating. The GAO said that even though outreach efforts were widespread, "little is known about the effectiveness" of those efforts since the VA did not have a way to measure its outreach performance.

Some veterans informed the GAO that they were forced to wait a long time or had to call several times to get information from the VA's hotlines. Some of the veterans and their advocates also told the GAO that briefings for separating service members were ineffective and often provided too much information to absorb.

The GAO recommended that the VA establish new performance measures and improve communication with colleges where veterans are enrolled. The VA said that it was putting the GAO's recommendations into place.

Source: Milwaukee Journal Sentinel (November 20, 2012)

Regulators Crack Down on Deceptive Mortgage Ads

The Federal Trade Commission and the Consumer Financial Protection Bureau announced on November 19 that they had launched 19 investigations into potential violations of the law by mortgage lenders and brokers suspected of false or deceptive advertising. They also issued 32 warning letters to various lenders and brokers.

"Misrepresentation in advertising for mortgage products pose a significant risk of harm to consumers because they can confuse and mislead consumers when they are making one of the biggest financial transactions of their lives," said Kent Markus, the consumer bureau's assistant director of enforcement. "Those problems can be particularly significant for veterans and older Americans."

Regulators examined more than 800 mortgage ads in newspapers, direct mail, and on the Internet, including Facebook, for violations of the 2011 Mortgage Acts and Practices' Advertising Rule, which prohibits unfair or misleading advertising for any mortgage credit product, from fees and interest rates to costs and payments.

Some of the ads displayed official-looking seals or logos that made it appear as though they were affiliated with legitimate organizations such as the Department of Veterans Affairs, Federal Housing Administration or the Department of Housing and Urban Development. Other ads offered "fixed" low

rates without disclosing the actual terms of the loans or contained mocks checks that could mislead consumers into thinking they had already been pre-approved to receive certain amounts of money if they re-financed their homes or took out reverse mortgages.

Regulators said that some of the ads for reverse mortgages incorrectly implied that homeowners would not have to make any payments. With such loans, it is typically required that homeowners continue to make regular tax and insurance payments or risk default.

Consumer advocates applauded the regulators’ actions. “It’s good news that they are watching and looking into things and hopefully stopping them before they become endemic, especially because so often these kinds of predatory products are targeted at military personnel and the elderly,” said Kathleen Day, a spokeswoman for the Center for Responsible Lending, a nonprofit advocacy group based in Durham, N.C.

Source: Milwaukee Journal Sentinel (November 20, 2012)

CWAG Activities

Date	Activity	County
January 28-30	CWAG Senior Statesmanship Class-Madison	Dane

SMP Activities

Date	Activity	County
December 4	SMP Presentation-8 th Air Force Historical Society-Milwaukee	Milwaukee
December 5	SMP Presentation-West Allis Senior Center	Milwaukee
December 10	SMP Booth-Wisconsin Council of Churches Event-Waunakee	Dane
December 12	SMP Presentation-Valley View Apts.-Manitowoc	Manitowoc
December 18	SMP Presentation-DePere Men’s Club	Brown
January 7	SMP Presentation-Learning in Retirement-UW-Green Bay	Brown
January 8	SMP Presentation-Racine Elderly Services Network	Racine
January 11	SMP Presentation-Senior Companions-Milwaukee	Milwaukee
January 14	SMP Presentation-Jefferson Court Apts.-Milwaukee	Milwaukee
January 18	SMP Presentation-Serra Club-Wisconsin Rapids	Wood
January 22	SMP Presentation-Peace Lutheran Church-Waunakee	Dane
January 28	SMP Presentation-The Nightingales-Sun Prairie	Dane
February 19	SMP Presentation-Sun Prairie United Methodist Church	Dane
March 4	SMP Presentation-United Methodist Church-Oregon	Dane
March 13	SMP Presentation-Neighborhood Outreach Prog.-Milwaukee	Milwaukee
March 15	SMP Presentation-2013 Aging in America Conf.-Chicago, IL	
March 19	SMP Presentation-Wilson Park Senior Center-Milwaukee	Milwaukee
March 19	SMP Booth-UWEC Senior Americans’ Day-Eau Claire	Eau Claire

We are always looking for opportunities to support our colleagues in the aging network. Please contact Wisconsin SMP and let us know about upcoming events in your area.

Wisconsin SMP
Coalition of WI Aging Groups
2850 Dairy Drive Ste. 100
Madison WI 53718



ATTENTION: All of You with Email...

In an effort to save paper, postage and be “volunteer friendly,” we will email issues of the *Fraud Alert!* to those who have email. Please contact Lisa Turner at LTurner@cwag.org and give her your email address to add to our list. Thank you!

For more information, contact:

Elizabeth Conrad, SMP Project Director
Coalition of Wisconsin Aging Groups Elder Law Center
2850 Dairy Drive – Suite 100
Madison, WI 53718-6742
Phone: 800/488-2596 608/224-0606
Email: econrad@cwag.org



**You can also access our publication by visiting our web site www.wisconsinsmp.org
Or you can visit the Coalition of Wisconsin Aging Groups web site www.cwag.org
Click on Publications then click on Wisconsin Senior Medicare Patrol (SMP)
and scroll down and click on the edition you wish to view.**