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U.S. Attorney's Office

Eastern District of Arkansas

FOR IMMEDIATE RELEASE

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Doctor Pleads Guilty to Obstructing Telemedicine Investigation

LITTLE ROCK-A Dallas-area doctor pled guilty this afternoon to obstructing a federal health care investigation. Cody Hiland, United States Attorney for the Eastern District of Arkansas, Michael C. Mentavlos, Special Agent in Charge of the Defense Criminal Investigative Service Southwest Field Office, Patrick Roche, Acting Special Agent in Charge of the Department of Veterans Affairs Office of Inspector General South Central Field Office, Miranda L. Bennett, Special Agent in Charge for the Office of Inspector General of the U.S. Department of Health and Human Services, and Diane Upchurch, Special Agent in Charge of the FBI Little Rock Field Office, announced Dr. Lorraine De Blanche, 56, pled guilty this afternoon before U.S. District Judge Brian S. Miller.

Patient complaints and a surge in claims for durable medical equipment (DME) and compounded prescription drugs triggered investigations into telemedicine fraud targeting federal insurers, including TRICARE, CHAMPVA, and Medicare. This prompted federal investigators to speak with medical providers linked to related DME claims and prescriptions.

In March 2019, Special Agents from DCIS and VA-OIG interviewed Dr. De Blanche about her work for telemedicine companies in 2015 and 2016, while she was practicing in Little Rock. During the interview she acknowledged working for the companies at issue but willfully misled agents about her telemedicine consultations. Dr. De Blanche reported she always evaluated patients by telephone before determining whether or not compounded prescription drugs or DME were needed. As Dr. De Blanche would later admit, however, on repeated occasions she ordered the products without first consulting patients.

U.S. Attorney Hiland stated "health care is a trillion-dollar industry. My office is committed to purging it of fraud. Serious consequences await those who hinder that task by misleading our partners in federal law enforcement."

“The Defense Criminal Investigative Service is committed to ensuring that TRICARE, the U.S. military healthcare program, continues to provide safe and superior medical care to America’s Warfighters,” said DCIS SAC Mentavlos. “Fraudulent telemedicine schemes not only expose beneficiaries to potential harm, but also waste valuable taxpayer dollars.”

“CHAMPVA is a Department of Veterans Affairs health care benefit program for dependents of living veterans rated 100% disabled, for dependents of veterans whose death was service connected, and for dependents of veterans who were rated as 100% disabled when they died,” said VA-OIG ASAC Roche. “This guilty plea sends a clear message that there will be severe consequences for anyone who obstructs an investigation involving this important program.”

“When doctors knowingly mislead investigators who are working to uncover fraudulent activity, they violate the trust placed in them by patients, taxpayers, and the government,” said HHS-OIG SAC Bennett. “Along with our law enforcement partners, we will continue to protect the integrity of federal healthcare programs.”

“Each year, billions of dollars are lost and hundreds of lives are endangered in health care fraud schemes,” said FBI SAC Upchurch. “Dr. De Blanche willfully misled federal agents tasked with investigating one such scheme. Today’s guilty plea is the result of great work by our agents and partners at the DCIS, VA-OIG, and HHS-OIG.”

Obstructing federal health care investigations is punishable by up to five years’ imprisonment. Under the terms of her plea agreement, Dr. De Blanche agreed to forfeit over \$33,000.00 in telemedicine proceeds and pay a \$180,000.00 fine. She will be sentenced at a later date.

This case was investigated by DCIS, VA-OIG, HHS-OIG, and the FBI. Assistant United States Attorneys Alexander D. Morgan and Stephanie G. Mazzanti prosecuted the case for the United States.

Topic(s):

Health Care Fraud

Component(s):

USAO - Arkansas, Eastern

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