

# **The Delaware Department of Justice announces \$455,000 settlement in Medicaid Fraud case**

The Delaware Department of Justice announced that it has reached an agreement with Rite Aid of Delaware, Inc. ("Rite Aid") to resolve allegations that the company, through one of its Delaware pharmacists, Bruce Costa, generated false prescriptions for pharmaceutical products that were submitted for reimbursement to the Delaware Medicaid Program but were not provided to Medicaid beneficiaries. Under the agreement, Rite Aid will pay \$435,000 in restitution, to be split between the Delaware Medicaid Program and the federal government. In addition, \$20,000 will be paid to the Delaware Department of Justice to reimburse the cost of the investigation.

"This case sends a clear message to the health care community that we will actively and vigorously investigate allegations of Medicaid fraud and hold offenders accountable," stated Deputy Attorney General Daniel Miller, Director of the Delaware Department of Justice Medicaid Fraud Control Unit.

In a previous investigation related to this case, pharmacist Bruce Costa pled no contest (nolo contendere) in New Castle County Superior Court to three counts of fraudulent acts and two counts of falsifying business records. He was sentenced on June 11, 2008 to one year of probation on each count and ordered to pay more than \$38,000 in restitution to the Delaware Medicaid Program and a \$6,000 penalty to the state's general fund. In addition, he was ordered to pay \$20,000 for investigative

costs to the Delaware Department of Justice.

The investigation and prosecution of this case was led by Delaware Department of Justice Special Investigator Daniel Daly and Deputy Attorneys General Susan Purcell and James Apostolico.

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