

The Office of Inspector General (OIG), Department of Defense (DOD), announced today that on September 8, 2000, the Department of Justice and Douglas Colkitt, M.D., owner and operator of Equimed Inc. (formerly Oncology Associates, P.C.), reached a civil settlement in the matter of United States of America ex rel. Rahman vs. Oncology Associates, P.C. et al. The civil case was filed in the United States District Court, District of Maryland, in Baltimore on August 24, 1998, as the result of an investigation and prior qui tam law suit filed by Dr. Syed Rahman. The case was set for trial later this year. Dr. Colkitt agreed to settle the case for \$9,885,000 and pay attorney fees for Dr. Rahman, totaling \$115,000. Dr. Colkitt, and over seventy of his entities, did not admit any wrongdoing, however, agreed to Corporate Integrity Agreements being installed within his companies. The settlement does not involve Equimed, Inc., and several of its subsidiaries, because it is currently involved in a bankruptcy proceeding in the District of Maryland.

The investigation of Equimed, Inc. was for alleged health care fraud in the radiation oncology field. Specifically, the investigation centered on allegations of billing for services not rendered and up-coding services. Health care claims were sent to government programs, such as Medicare and TRICARE, as well as private third party payers. Equimed, Inc. is a national company, which operates radiation oncology centers throughout the United States. The company's billing policies and procedures originate from its headquarters in State College, Pennsylvania.