

The Office of the Inspector General (OIG) Department of Defense (DoD) announced today, that on March 5, 2001, Dr. John O'Donnell, was sentenced in U.S. District Court, Syracuse, NY, to 78 months imprisonment to be followed by three years supervised release, \$688,277 in restitution and a \$2600 special assessment. Dr. O'Donnell was convicted on October 5, 1999, of 44 felony counts, which included mail fraud and money laundering, after a four-week trial. Dr. O'Donnell was convicted of crimes related to false billings submitted to Blue Cross/Blue Shield Company, Medicare and others for medically unnecessary tests.

John O'Donnell was originally indicted on June 19, 1996, for defrauding Blue Cross/Blue Shield, Medicare and others, tax evasion, money laundering and the illegal distribution of controlled substances. On September 17, 1998, John O'Donnell and his wife Carol O'Donnell were arrested on Federal arrest warrants for violating conditions of their pre-trial release by selling properties which were utilized as security for their release and not informing the United States District Court of their current residence. The O'Donnells were alleged to have taken assets from the sale of properties and placed them in "offshore accounts" while preparing to flee the United States. A subsequent superceding indictment was issued on October 28, 1998, for Contempt of Court and other related offenses, in addition to the original charges.

On September 13, 1999, Carol O'Donnell pled guilty to two counts of mail fraud. Carol O'Donnell was sentenced on January 19, 2000, to 21 months in prison to be followed by three years supervised release, restitution of \$556,888 to Medicare and \$131,389 to Blue Cross-Blue Shield and a \$100 special assessment.