

January 15, 2004

EASTERN MEDICAL CLINIC (et al.)
Republic of the Philippines

PLEA AGREEMENT: The Office of the Inspector General (OIG) of the Department of Defense (DoD) announced today that on November 7, 2003, Rufino E. Buyao, 61, of Tayug, Pangasinan, Republic of the Philippines, plead guilty to Count 2 of the indictment returned by the grand jury on February 21, 2001 for allegedly submitting false claims relating to a medical fraud scheme that targeted TRICARE. Wisconsin Physicians Service (WPS) located in Madison, WI, acts as a fiscal intermediary for the TRICARE program. As a fiscal intermediary, WPS processes and pays TRICARE claims, including claims submitted by military retirees residing overseas.

The guilty pleading was the result of a criminal investigation of TRICARE fraud in the Republic of the Philippines. Buyao, a retired veteran of the U.S. Navy, was charged with defrauding the federal TRICARE program, by conspiring with doctors in the Philippines, and allegedly filing approximately nineteen fraudulent TRICARE claims. The allegedly bogus claims falsely represented that TRICARE beneficiaries had been hospitalized at a clinic in the Philippines and had received various medical services. Contrary to the representations in the claims, the hospitalization and medical services described in the claims had not been provided to the TRICARE beneficiaries. The claims totaled \$202,717.44 and resulted in a \$132,390.72 loss to TRICARE.

The maximum penalty for this charge is twenty years in prison, a \$250,000 fine, a \$100 assessment, a three-year period of supervised release, and an appropriate restitution order.