



**For Immediate Release**  
**March 13, 2007**

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**ATTORNEY GENERAL LISA MADIGAN AND UNITED STATES  
ATTORNEY PATRICK FITZGERALD ANNOUNCE \$344 MILLION  
JUDGMENT AGAINST MEDICAID HMO**

*Attorney General Cites Verdict as one of the Largest Ever Fraud Judgments  
Against a Medicaid Contractor and the Largest Civil Verdict in the History of  
Illinois Attorney General's Office*

**Chicago** – Illinois Attorney General Lisa Madigan and U.S. Attorney Patrick Fitzgerald have announced that today a federal judge has awarded over \$334 million dollars in a fraud lawsuit against the Medicaid HMO Amerigroup Illinois and its parent company, Amerigroup Corporation. Last October a federal jury found both companies liable for systematic and extensive fraud in the Medicaid program, which is funded jointly by the federal and state governments.

“This judgment sends a strong message that companies who contract with the State of Illinois to provide healthcare to its neediest residents cannot discriminate against those residents who are most in need of that care,” said Madigan.

As a penalty for Amerigroup’s fraudulent actions, Judge Leinenweber, Federal District Judge for the Northern District of Illinois, trebled the jury’s original award of \$48 million and awarded additional penalties in the amount of more than \$190 million. The total judgment equals \$334,365,000. The verdict amounts to one of the largest ever fraud judgments against a Medicaid contractor and the largest civil verdict in the history of the Illinois Attorney General’s office.

The Judge stated that he was “*convinced that Defendants’ conduct was egregious and calculated*” and that their actions constituted an “*institution-wide goal to fleece Defendants’ pockets at the expense of the government, the Medicaid system, and the avoided pregnant women.*” Prosecutors alleged that Amerigroup discriminated against pregnant women and others with expensive health conditions, in many cases ignoring individuals Amerigroup knew were not receiving urgently needed care.

From 2000-2004 Amerigroup was paid hundreds of millions of dollars, in part, to help low income pregnant women who had inadequate prenatal care to navigate the complicated healthcare system and find care. Amerigroup spent less than half of the funds they were paid by the state and federal governments on providing healthcare.

In October, the jury found that Amerigroup illegally avoided pregnant women and other people with expensive health conditions while continuing to receive state and federal dollars that were paid with the understanding that Amerigroup was not engaging in health status discrimination. The result of Amerigroup's discrimination was that certain individuals were denied full access to healthcare coverage and the federal and state governments overpaid Amerigroup by millions of dollars. Under the law, the Judge had the ability to add penalties to the jury's award, which he did today.

The judgment comes after nearly four years of litigation and a three and one-half week jury trial. The case was originally filed by Amerigroup Illinois' former head of government relations, Cleveland Tyson, under the False Claims Act and the Illinois Whistleblower Reward and Protection Act. In 2005, the Illinois Attorney General and the U.S. Department of Justice joined the case. Mr. Tyson's attorneys, Fred Cohen and David Chizewer from the law firm of Goldberg, Kohn tried the case in cooperation with the government attorneys. *United States, ex rel. Cleveland Tyson, et al. v. Amerigroup Illinois, Inc., et al.*, 02 C 6074 (N.D. IL.)

The case was prosecuted for the State of Illinois by Assistant Attorneys General David J. Adams and Anne R.K. Reader.

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