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MADIGAN SUES CHICAGO DRUG TESTING COMPANY FOR DEFRAUDING STATE OF \$1.3 MILLION

Attorney General Alleges K.K. Bio-Science and Anita Mahajan Billed DCFS for Drug Tests Never Performed

Chicago—Attorney General Lisa Madigan filed a civil lawsuit today against a Chicago drug testing company for billing the state more than \$1.3 million for drug tests it never performed.

"This company blatantly defrauded the State of Illinois by submitting bills for work that it never performed," Madigan said. "We will take every action necessary to recover the taxpayer money that this company wrongfully obtained."

Madigan's civil complaint alleges that K.K. Bio-Science, Inc., and its President, Anita Mahajan, knowingly billed the state from at least January 2004 until November 2006 for drug testing services never performed for the Illinois Department of Children and Family Services (DCFS) in child custody cases.

In 1997, the State of Illinois awarded K.K. Bio-Science a no-bid contract to conduct DCFS drug testing. By 2003, the number of DCFS clients required to submit to drug testing at K.K. Bio-Science had dropped significantly. The company, however, allegedly continued to bill the state at similar historical rates on a monthly basis for several years. According to Madigan's complaint, from January 2004 until late 2006, the defendants billed the state at least \$1.3 million for work never performed.

State investigators discovered the fraudulent billing in January 2007, at which time DCFS terminated its contract with K.K Bio-Science. The company was involuntarily dissolved in December of that year.

Madigan's complaint charges the defendants with one count of violating the Illinois Whistleblower Reward and Protection Act, one count of common law fraud and one count of payment by mistake of fact. The Whistleblower Reward and Protection Act provides that a person who knowingly presents a false claim for payment is liable and could face civil penalties. The Office of Cook County State's Attorney Anita Alvarez is currently prosecuting Anita Mahajan for criminal charges stemming from the alleged fraud.

Madigan's lawsuit asks the court for at least \$3.9 million in damages and civil penalties. The Illinois Whistleblower Reward and Protection Act provides for a civil penalty between \$5,500 and \$11,000 for each false claim, plus three times the amount of damages the state sustains, as well as the costs of prosecution.

Bureau Chief Carl Bergetz and Assistant Attorneys General Jennifer Smiley and Malini Rao are handling the case for Madigan's Special Litigation Bureau.

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