

The Office of Inspector General (OIG), Department of Defense (DoD), announced today that on November 15, 2001, Respiratory Druggist, Inc. (RDI), of Foley, AL, RDI's owner/president Richard Bennett Powell and his wife, Joanne Taylor Powell, were sentenced in the United States District Court for the Southern District of Alabama. These sentences followed the guilty pleas of RDI and Richard Powell on June 28, 2001, to charges of healthcare fraud. Joanne Powell had pled guilty to charges of Federal income tax evasion on the same date.

RDI was sentenced to serve 5 years probation, pay restitution of \$105,042.48, and a special assessment fee of \$1,600. Richard Powell was sentenced to serve 12 months and 1 day imprisonment, 3 years probation and pay \$687,000 of restitution and a special assessment fee of \$400. Joanne Powell was sentenced to serve 6 months home confinement and to pay a special assessment fee of \$200.

RDI was a provider of durable medical equipment and drugs to TRICARE and Medicare patients residing primarily in southern Alabama. In their pleas, the specified defendants admitted the following: RDI made payments to physicians in return for referring patients to RDI, in violation of the Medicare Antikickback Statute; RDI submitted false claims for dispensing the brand name drug Atrovent, when a less expensive generic drug was actually dispensed to patients; and Richard Powell conspired to commit fraud by participating in a scheme to divert the drug Atrovent to retail pharmacies, wholesalers or suppliers, as opposed to individual patients, as required by contract. Richard Powell and Joanne Powell each filed false individual income tax returns for the calendar year 1996.