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**Birmingham Psychologist Agrees to Plead Guilty to Defrauding
State Medicaid Agency of \$1.5 Million by Filing False Claims for Counseling**

BIRMINGHAM— A one-count information filed yesterday in U.S. District Court charges a Birmingham psychologist with defrauding the Alabama Medicaid Agency by filing false claims for counseling services that were not provided, announced Alabama Attorney General Steve Marshall, U.S. Attorney Jay E. Town and U.S. Department of Health and Human Services-OIG Special Agent in Charge Derrick Jackson.

Sharon D. Waltz, 50, operated Capstone Medical Resources in a number of locations around Alabama, with its primary office in Birmingham. Among other services, Waltz provided individual and group counseling sessions for at-risk youth. The information charges that many of the services billed to the Alabama Medicaid Agency were never performed. Waltz has agreed to plead guilty to conspiracy to defraud Medicaid of at least \$1.5 million. Waltz has also agreed to pay restitution to Medicaid in the amount of \$1.5 million.

"This defendant was entrusted to provide essential mental health care for young people who were at risk, and to provide these services through an agency with scarce resources for vulnerable Alabamians who are truly in need," said Attorney General Marshall. "Her actions demonstrate a callous abuse of this trust and a fraud of staggering proportions against the Alabama Medicaid Agency and the taxpayers of our state. Thankfully, the vigilance of this agency served to protect public funds from further misuse and she has been held to account and punished for her crimes."

"The greed of this defendant deprived mental health care to many at-risk young people in Alabama, with the focus on profit rather than the efficacy of care," Town said. "The costs are not just monetary, but have social and health impacts on the entire Northern District. This prosecution, and this investigation, demonstrates what is possible when federal and state law enforcement agencies work together."

"Stealing tax payer dollars meant for vital community services will not be tolerated," said Derrick L. Jackson, Special Agent in Charge for the Office of Inspector General of the U.S. Department of Health and Human Services. "The OIG will continue to work with our partners at the Alabama Medicaid Fraud Control Unit to ensure that fraud schemes such as these are identified and the perpetrators punished."

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An investigation was initiated by the Program Integrity Division of the Alabama Medicaid Agency after an audit showed that Waltz's billings to the Medicaid Agency had increased from \$99,000 in 2015 to more than \$2.2 million in 2017. The Program Integrity Division referred its findings to the Attorney General's Medicaid Fraud Control Unit after Waltz submitted falsified records during the Program Integrity audit.

A subsequent investigation was conducted by the Medicaid Fraud Control Unit and the Office of Investigations of the U.S. Department of Health and Human Services Office of Inspector General. This investigation determined that the majority of claims submitted by Capstone during 2016 through 2018 were fraudulent and that Waltz submitted and directed her employees to submit claims for counseling services that never occurred, and in some instances for individuals – including family members and friends of employees – who never received services at all.

The U.S. Department of Health and Human Services OIG, the Alabama Attorney General's Medicaid Fraud Control Unit, and the Program Integrity Division of the Alabama Medicaid Agency, investigated the case, which Assistant U.S. Attorney J.B. Ward and Assistant Attorney General Bruce Lieberman, working as a Special Assistant U.S. Attorney, are prosecuting.