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## **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**  
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# **TUCSON DOCTOR FACES ILLEGAL DISTRIBUTION AND HEALTH CARE FRAUD CHARGES**

**TUCSON, ARIZONA** -- The United States Attorney's Office for the District of Arizona, and the United States Drug Enforcement Administration (DEA), United States Department of Justice, announced today that a 108-count Indictment was returned on March 26, 2003, against DR. JERI B. HASSMAN of Tucson, Arizona. Dr. Hassman has practiced as a pain management specialist with Calmwood Medical in Tucson.

The Indictment charges Dr. Hassman with 66 counts of Illegal Distribution Controlled Substances, in violation of 21 U.S.C. § 841(a); one count of Health Care Fraud, in violation of 18 U.S.C. §1347; and 41 counts of False Statements Relating to Health Care Matters, in violation of 18 U.S.C. § 1035.

Counts 1-66 of the Indictment allege that between February, 2001, and May 15, 2002, Dr. Hassman issued 66 illegal prescriptions to six different patients (whose names are omitted from the Indictment to preserve patient confidentiality). These prescriptions were issued for a variety of schedule

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II, III, and IV controlled substances, including hydrocodone, morphine, dilaudid, methadone, and oxycontin, which are schedule II narcotics, well known for their addictive qualities and potential for abuse. The Indictment alleges that Dr. Hassman issued these prescriptions outside of the usual course of professional practice and not for any legitimate medical purpose.

Count 67 of the Indictment charges that from May, 1998, through May, 2002, Dr. Hassman engaged in a scheme to defraud TRICARE, a health care benefit program for retired members of the U.S. military and their dependants. The Indictment alleges that Dr. Hassman, while working at Calmwood Medical, and previously at Western Allied Health Professionals, engaged in a scheme, where non-covered chiropractic services were falsely billed to TRICARE as covered services. The remaining counts in the Indictment are based on false claims which were submitted to TRICARE in connection with this fraudulent scheme.

The counts alleging Illegal Distribution of Controlled Substances carry various penalties, depending on the type of drugs that were illegally prescribed. With respect to those counts involving schedule II controlled substances, the maximum punishment is 20 years imprisonment and a \$1 million fine; for schedule III controlled substances, the defendant faces up to five years imprisonment and a \$250,000 fine; and the penalty for illegal distribution of schedule IV substances is up to three years imprisonment and a \$250,000 fine. Dr. Hassman is charged with 56 counts involving schedule II substances, three (3) counts involving schedule III substances, and seven (7) counts involving schedule IV substances.

Dr. Hassman faces up to ten years of imprisonment and a \$250,000 fine on the Health Care Fraud count. The maximum penalty for Counts 68-108, brought under 18 U.S.C. §1035, which makes it illegal to make any false claims in connection with the payment of health care benefits, is five years imprisonment and a fine of \$250,000, for each count

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An indictment is simply the method by which a persons are charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by the Defense Criminal Investigation Service (DCIS) of the Department of Defense, the Federal Bureau of Investigation (FBI); and the Drug Enforcement Administration's Diversion Unit in Tucson, Arizona. The DEA's Drug Diversion Program monitors and investigates physicians, pharmacists, pharmacies and customers for violations of the Controlled Substances Act.

Dr. Hassman was arrested at her office on Friday, March 28, 2003. She was subsequently released on conditions by the U.S. Magistrate. Dr. Hassman is scheduled to have a hearing on her continued detention and arraignment on Tuesday, April 1, 2003 at 10:00am before Magistrate Judge Nancy Fiora

This prosecution is being handled by Russell E. Marsh and Beverly K. Anderson, Assistant United States Attorneys, District of Arizona, Tucson, Arizona.

CASE NUMBER: CR-03-0675-TUC  
RELEASE NUMBER: 2003-045

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