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FORMER LOS ANGELES PHARMACIST ORDERED TO PAY \$340,000 FOR DEFRAUDING THE MEDI-CAL PROGRAM

SACRAMENTO--United States Attorney McGregor W. Scott announced today that JEFFERSON N. CALLAHAN, 65, of Rancho Palos Verdes, California, was sentenced today by United States District Judge Edward J. Garcia to five years of probation and restitution in the amount of \$340,000 for health care fraud.

The case was investigated by the Federal Bureau of Investigation, and the Medi-Cal Fraud Prevention Bureau of the California Department of Health Services.

According to Assistant United States Attorney Michelle Rodriguez, who prosecuted the case, from June 2002 to November 2003, CALLAHAN was the owner and pharmacist at Village Drug Store in Inglewood, California. Through Village Drug Store, CALLAHAN was a Medi-Cal provider with authority to dispense medically necessary goods and services to Medi-Cal recipients. CALLAHAN was allowed to claim reimbursement for dispensed goods and services from the Medi-Cal Program, a state program that receives funding from the federal government. Between June 2002 and November 2003, CALLAHAN, using the Village Drug Store, executed a scheme to defraud the Medi-Cal program and the federal government. As part of CALLAHAN's scheme, he made false reimbursement claims for dispensed goods and services that patients did not receive and for so-called product sales which were supported with fictitious and forged doctor prescriptions.

CALLAHAN pled guilty to a one count Information on April 13, 2007. He had no prior criminal history.

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