



Department of Justice

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Jackson Woman Pleads Guilty to Soliciting Kickbacks, Making False Statements to Law Enforcement Agents, and Tampering with Records

LEXINGTON, Ky.- A Jackson, Kentucky, woman admitted in federal court today she solicited kickbacks from a toxicology laboratory in exchange for urine drug testing referrals, lied to law enforcement agents about the kickback she received, and then attempted to cover up the kickback by requesting the alteration of certain financial records.

Theresa C. Merced, 80, pleaded guilty today to one count of violating the Eliminating Kickbacks in Recovery Act (EKRA), 18 U.S.C. § 220; one count of making false statements, 18 U.S.C. § 1001; and one count of attempted tampering with records, 18 U.S.C. § 1512, before U.S. District Court Chief Judge Danny C. Reeves.

Merced, the office manager of a substance abuse treatment clinic in Jackson, Ky., admitted that between December 2018 and August 2019, she solicited kickbacks from the CEO of a toxicology lab in exchange for urine drug test referrals. According to the plea agreement, in August 2019 the CEO delivered to Merced a \$4,000 check as part of a larger package of promised inducements. Merced caused the check to be cashed. When Merced was questioned about the check by law enforcement agents in September 2019, she denied knowledge of it, and stated that the \$4,000 was probably a loan from the lab CEO to her husband. Shortly after her interview with the agents concluded, Merced called the lab CEO and asked that he alter the lab's financial records so that the entry for the \$4,000 check would say "rent/loan," consistent with the lie she told the agents.

EKRA, enacted by Congress in October 2018 as part of a broader package of legislation aimed at combatting the opioid crisis, prohibits, among other things, the solicitation or receipt of kickbacks in exchange for the referral of urine drug testing services. Merced's EKRA conviction is believed to be the first in the nation.

Robert M. Duncan, Jr., United States Attorney for the Eastern District of Kentucky, Derrick L. Jackson, Special Agent in Charge at the U.S. Department of Health and Human Services, Office of Inspector General, Atlanta Field Office, and Kentucky Attorney General Daniel Cameron jointly announced the guilty plea.

The investigation was conducted by the U.S. Department of Health and Human Services,

Office of Inspector General, and the Kentucky Office of Attorney General, Medicaid Fraud Control Unit. The U.S. Attorney's Office was represented by Assistant U.S. Attorney Paul McCaffrey.

Merced is scheduled to be sentenced on May 1, 2020. She faces up to 20 years in prison and a maximum fine of \$250,000. However, any sentence will be imposed by the Court after consideration of the U.S. Sentencing Guidelines and the federal statutes.

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