



Department of Justice

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Jackson Woman Sentenced to 10 Months for Soliciting Kickbacks and Obstructing Justice

LEXINGTON, Ky. - A Jackson, Ky., woman, Theresa C. Merced, 81, was sentenced to five months imprisonment to be followed by five months of home detention, and was ordered to pay a \$55,000 fine, by Chief U.S. District Judge Danny C. Reeves, following her convictions for soliciting kickbacks from a toxicology laboratory in exchange for urine drug testing referrals, lying to law enforcement agents about the kickback she received, and then attempting to cover up the kickback by requesting the alteration of certain financial records.

Merced, the office manager of a substance abuse treatment clinic in Jackson previously 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. In August 2019 the CEO delivered to Merced a \$4,000 check as part of a larger package of promised inducements, which she caused 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.

Under federal law, Merced must serve 85 percent of her prison sentence and will be under the supervision of the U.S. Probation Office for three years. As a special condition of her supervised release, Merced is prohibited from working in any capacity in which she influences referrals for medical testing.

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 sentence.

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 United States was represented by Assistant U.S. Attorney Paul McCaffrey.

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