



**JOSH STEIN**  
**ATTORNEY GENERAL**

**STATE OF NORTH CAROLINA**  
**DEPARTMENT OF JUSTICE**

**SETH DEARMIN**  
**CHIEF OF STAFF**

April 30, 2021

North Carolina Senate President Pro Tempore Phil Berger  
North Carolina House of Representatives Speaker Tim Moore  
Co-Chairs, Joint Legislative Commission on Governmental Operations

Senator Danny Earl Britt, Jr.  
Senator Warren Daniel  
Representative James Boles, Jr.  
Representative Allen McNeill  
Representative Carson Smith  
Co-Chairs, Appropriations Subcommittee on Justice and Public Safety

North Carolina General Assembly  
Raleigh, North Carolina 27601-1096

RE: G.S. §114-2.5; Report on Settlement Agreement for Dr. Ibrahim Oudeh

Dear Members:

Section 114-2.5 of the North Carolina General Statutes requires the Attorney General to report to the Joint Legislative Commission on Governmental Operations and the Chairs of the Appropriations Subcommittees on Justice and Public Safety regarding all settlements and court orders which result in more than \$75,000.00 being paid to the State. Pursuant to that statute, I am writing regarding the settlement of claims for Medicaid reimbursement to the state and federal governments in the above-referenced matter. Pursuant to federal law (42 C.F.R. § 433.320) recoveries in these cases are shared on a pro rata basis by the state and federal governments.

A settlement has been executed between Dr. Ibrahim Oudeh and the State of North Carolina.

The settlement resolves allegations that from January 1, 2011 through December 31, 2017, Dr. Ibrahim Oudeh billed for medically unnecessary and improper nerve conduction studies, radiological tests and echocardiograms. It also resolves allegations

that Oudeh overbilled for evaluation and management services that did not reflect the services documented and rendered.

Under the terms of North Carolina's settlement, the State of North Carolina will recover \$3,300,000.00. Of that amount the federal government will receive \$2,951,836.80 for North Carolina's federal portion of Medicaid and Medicare recoveries. The North Carolina Medicaid Program will receive \$254,680.01 as restitution. In addition, pursuant to Article IX, Section 7 of the North Carolina Constitution and G.S. § 115C-457.1, the penalty portion of the settlement in the amount of \$67,451.53 will be paid to the Civil Penalty Forfeiture Fund for the support of North Carolina public schools. Pursuant to G.S. § 115C-457.2 and G.S. § 1-608(c), the North Carolina Department of Justice will receive \$26,031.66 for investigative costs and costs of collection

We will be happy to respond to any questions you may have regarding this report.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Seth Dearmin', with a stylized flourish at the end.

Seth Dearmin  
Chief of Staff

SD:ng

cc: William Childs, NCGA Fiscal Research Division  
Mark White, NCGA Fiscal Research Division  
Morgan Weiss, NCGA Fiscal Research Division

## SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement Agreement") is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General (OIG-HHS) of the Department of Health and Human Services (HHS), the State of North Carolina, acting through the North Carolina Attorney General (collectively, the "Governments" or "Government Plaintiffs"), and Ibrahim N. Oudeh, M.D. ("Dr. Oudeh"), Teresa Sloan-Oudeh ("Sloan-Oudeh"), and Ibrahim N. Oudeh, M.D.P.A. ("Oudeh P.A.") (collectively "Defendants") (and hereafter collectively referred to as "the Parties"), through their authorized representatives.

### RECITALS

A. Medicare and Medicaid claims were submitted to the United States and State of North Carolina through Oudeh P.A. Dr. Oudeh is a medical doctor and the President of Oudeh P.A. and at all times relevant was a provider at Oudeh, P.A. Dr. Oudeh serves patients in Dunn, North Carolina and surrounding communities. Dr. Oudeh's spouse, Sloan-Oudeh, served as the office manager for Oudeh P.A. during the relevant time period.

B. On January 12, 2018, the Governments filed an action in the United States District Court of the Eastern District of North Carolina, captioned United States and State of North Carolina v. Dr. Ibrahim N. Oudeh, Teresa Sloan-Oudeh, and Ibrahim N. Oudeh, M.D.P.A., Case No. 5:18-CV-0009-D (the "Civil Action").

C. The Governments contend that the Defendants submitted or caused to be submitted claims for payment to the Medicare Program, Title XVIII of the Social

Security Act, 42 U.S.C. §§ 1395-1395lll (“Medicare”); and the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5 (“Medicaid”).

D. The Governments contend that they have certain civil claims against the Defendants arising from (1) billing medically unnecessary and improper nerve conduction studies, (2) billing medically unnecessary and improper radiological tests and echocardiograms that violated Medicare’s anti-markup limitations, and (3) overbilling for evaluation and management services that did not reflect the services documented and rendered during the period from January 1, 2011, through December 31, 2017. That conduct is referred to below as the “Covered Conduct.”

E. This Settlement Agreement is neither an admission of liability by the Defendants nor a concession by the Governments that their claims are not well founded. Defendants deny any and all wrong doing or fraud alleged in the Complaint.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

#### TERMS AND CONDITIONS

1. The Defendants shall relinquish their interests in the assets described below, and agree to a Consent Order for the entry of a Consent Judgment in the amount of \$5,500,000 for the Governments, in settlement of the Covered Conduct on the Effective Date of this Settlement Agreement (as defined below in Paragraph 24 of this Settlement Agreement). The Defendants’ interests in the relinquished assets

below (based upon estimated fair market values) are approximately \$3,300,000, and \$2,574,317 of this recovery constitutes restitution to the Governments.

2. In order to resolve this case and avoid further litigation expense, the Defendants (and Governments) agree to relinquish the following assets subject to Writs of Garnishment and Orders in this case:

a. Defendants relinquish to the Governments their interest in \$1,417,312 derived from the cash payments due under the Goshen Medical Center, Inc.'s Purchase Agreement. Defendants shall retain \$82,688 of the amount currently on deposit with the Clerk of Court for the Eastern District of North Carolina. The Governments will file a motion requesting an order that allows the distribution of these funds to The Charleston Group within 14 days from the Effective Date of the Settlement Agreement;

b. Governments relinquish to Defendants and carve out equity in 2202 Hwy 50S, Benson, North Carolina ("Benson Home"), and agree not to assert any claims against the subject 2202 Hwy 50S real property except as otherwise provided herein (estimated value \$262,910);

c. Defendants relinquish equity in the encumbered property at 198 Canterbury Drive, Dunn, North Carolina, up to \$894,329 (with Defendants claiming 25% of any excess proceeds over \$894,329). The Governments and Defendants agree to jointly select a realtor and market the 198 Canterbury Drive property for 12 months, with any sale to be approved by all parties, with the parties agreeing that the Plaintiffs shall have the exclusive right to sell the subject property after 12 months from the Effective Date of the Settlement Agreement;

d. Defendants relinquish equity in the encumbered property at 721 Tilghman Drive, Dunn, North Carolina, up to \$417,000 (with Defendants claiming any excess proceeds over \$417,000). The Governments and Defendants agree to jointly select a realtor and market the 721 Tilghman Drive property for 12 months, with any sale to be approved by all parties, with the parties agreeing that the Governments shall have the exclusive right to sell the subject property after 12 months from the Effective Date of the Settlement Agreement;

e. Defendants relinquish equity in the encumbered property at 2005 Erwin Road, Dunn, North Carolina. The Governments shall have the exclusive right to sell the subject property (estimated value \$30,000);

f. Defendants relinquish equity in the encumbered property at 107 S. Railroad Ave., Dunn, North Carolina. The Governments shall have the exclusive right to sell the subject property (estimated value \$20,000);

g. Defendants relinquish equity in the encumbered property at 131 Coley Farm Road, Fuquay Varina, North Carolina (estimated value \$100,000). The Governments shall have the exclusive right to sell the subject property;

h. Defendants relinquish all claims to various bank and investment accounts currently encumbered by writs (approximately \$530,000), and the encumbered funds at issue in the Naim Trust, all to the fullest extent allowed by ERISA and other applicable law, and these funds will be paid over to the Governments except to the extent the Governments are restricted from collection from these funds under applicable law;

i. The Governments agree not to assert any claims against Defendants' vehicles or the Benson Home based upon this Settlement Agreement; and

j. The Governments do not agree that other assets of Defendants not addressed above are not subject to the Governments' claims, except that the Governments agree that they will not seek to collect on the Consent Judgment unless Defendants failed to disclose or misrepresented assets as set forth below.

3. The Defendants agree to sign a Consent Order authorizing entry of a Consent Judgment in the amount of \$5,500,000, which Consent Judgment shall not be recorded in lien records or utilized for collection unless the Governments reasonably determine that one or both of the individual Defendants failed to disclose assets and income in the sworn Financial Statements provided to the Governments in this action or made material misrepresentations to the Governments regarding settlement or assets in this action.

4. The Defendants have provided sworn financial disclosure statements (Financial Statements) to the United States, and the Governments have relied on the accuracy and completeness of those Financial Statements in reaching this Agreement. Defendants warrant that the Financial Statements are complete, accurate, and current. If the Governments learn of asset(s) in which Defendants had an interest at the time of this Settlement Agreement that were not disclosed in



the Financial Statements, or if the Governments learn of any misrepresentation by Defendants on, or in connection with, the Financial Statements or this Settlement Agreement, and if such nondisclosure or misrepresentation changes the estimated net worth set forth in the Financial Statements by \$10,000 or more (excluding valuation disputes regarding assets disclosed in the Financial Statements provided), the Governments may collect on the Consent Judgment agreed in this action. Defendants agree not to contest any collection action undertaken by the Governments pursuant to this provision, and immediately to pay the Governments all reasonable costs incurred in such an action, including attorney's fees and expenses.

5. The Governments may not file the Consent Judgment over a valuation dispute regarding assets disclosed in the Financial Statements provided. But if the Governments believe that they are entitled to file the Consent Judgment over a valuation dispute regarding assets disclosed in the Financial Statements provided, the Government shall give Defendants written notice of their findings regarding the asset valuation prior to beginning the process to file the Consent Judgment. Within 30 days of such notice, Defendants may challenge any findings involving the valuation of the assets disclosed in the Financial Statements provided. If Defendants fail to challenge the Government's finding within the time allowed, or if the Defendants' challenge is unsupported by competent evidence, then on such case, the Governments may collect on the aforementioned Consent Judgment.

6. Subject to the exceptions in Paragraph 7 (concerning excluded claims) below, and conditioned upon the Defendants full compliance with this Settlement

Agreement, the Governments release the Defendants from any civil or administrative monetary claim the Governments have for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the North Carolina False Claims Act, N.C.G.S. §§ 1-605, et seq., or the common law theories of payment by mistake, unjust enrichment, and fraud.

7. Notwithstanding the release given in paragraph 6 of this Settlement Agreement, or any other term of this Settlement Agreement, the following claims of the Governments are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Settlement Agreement, any administrative liability, including mandatory or permissive exclusion from Federal health care programs;
- d. Any liability to the Governments (or their agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Settlement Agreement;
- f. Any liability of individuals (other than individual Defendants as set forth herein);
- g. Any liability for failure to deliver goods or services due;



- h. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

8. The Medicaid Investigations Division of the North Carolina Attorney General's Office agrees to remain neutral regarding further administrative action or debarment/exclusion, and the Medicaid Investigations Division and the civil section of the United States Attorney's Office will not make any recommendations to their respective Governments regarding potential criminal prosecutions against the Defendants regarding the conduct alleged in the Complaint.

9. Defendants waive and shall not assert any defenses Defendants may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

10. Defendants fully and finally release the United States and the State of North Carolina, their agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against the Governments, and their agencies, officers, agents, employees, and servants related to the Covered Conduct and the Governments' investigation and prosecution thereof.

11. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare contractor (e.g., Medicare Administrative Contractor, fiscal intermediary, carrier) or any state payer (e.g. Medicaid contractors), related to the Covered Conduct; and Defendants agree not to resubmit to any Medicare contractor or any state payer any previously denied claims related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

12. Defendants agree to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395lll-1 and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Defendants, its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the Governments' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Defendants' investigation, defense, and corrective actions undertaken in response to the Governments' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorney's fees);
- (4) the negotiation and performance of this Agreement; and

- (5) the payment Defendants make to the Governments pursuant to this Agreement;

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Defendants, and Defendants shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by Defendants or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Defendants further agrees that within 90 days of the Effective Date of this Agreement it shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this Paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Defendants or any of their subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the unallowable

costs. Defendants agree that the United States, at a minimum, shall be entitled to recoup from Defendants any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by Defendants or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on Defendants or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the United States to audit, examine, or re-examine Defendants' books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

13. Defendants agree to cooperate fully and truthfully with the Governments' investigation of individuals and entities not released in this Settlement Agreement. Upon reasonable notice, Defendants shall encourage, and agree not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Defendants further agree to furnish to the Governments, upon request, complete and unredacted copies of all non-privileged

documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf.

14. This Settlement Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 15 (waiver for beneficiaries paragraph), below.

15. Defendants agree that they waive and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

16. Upon final execution of this Settlement Agreement, the Parties shall promptly file in the Civil Action the Stipulation of Dismissal & Consent Order (with attached Consent Judgment and this Settlement Agreement) pursuant to Rule 41(a)(1) (signed and attached hereto).

17. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Settlement Agreement.

18. Each party and signatory to this Agreement represents that it freely and voluntarily enters in to this Settlement Agreement without any degree of duress or compulsion.

19. This Settlement Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this

Agreement is the United States District Court for the Eastern District of North Carolina. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

20. This Settlement Agreement constitutes the complete agreement between the Parties. This Settlement Agreement may not be amended except by written consent of the Parties.

21. The undersigned counsel represent and warrant that they are fully authorized to execute this Settlement Agreement on behalf of the persons and entities indicated below.

22. This Settlement Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

23. This Settlement Agreement is binding on Defendants' successors, transferees, heirs, and assigns.

24. All parties consent to the Governments' disclosure of this Settlement Agreement, and information about this Agreement, to the public.

25. This Settlement Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

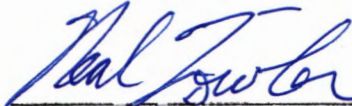
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THE UNITED STATES OF AMERICA

DATED: 4-20-2020

BY:



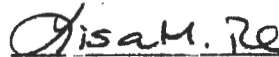
NEAL I. FOWLER

JOHN E. HARRIS

Assistant United States Attorneys  
Eastern District of North Carolina

DATED: 2/2/2020

BY:



LISA M. RE

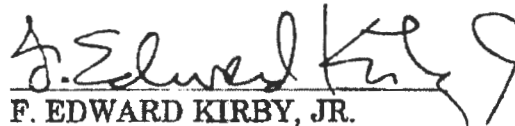
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human  
Services

STATE OF NORTH CAROLINA

JOSHUA H. STEIN  
NC Attorney General

DATED: 2-19-20

BY:




F. EDWARD KIRBY, JR.

Director, Medicaid Investigations Division  
North Carolina Department of Justice  
5505 Creedmoor Road, Ste. 300  
Raleigh, NC 27612

**DR. IBRAHIM N. OUDEH, TERESA SLOAN-OUDEH,**  
**AND IBRAHIM N. OUDEH, M.D. P.A.**

DATED: 2/14/2020

BY:

  
DR. IBRAHIM N. OUDEH

DATED: 2/14/2020

BY:

  
TERESA SLOAN-OUDEH

DATED: 2/14/2020

BY:

  
DR. IBRAHIM N. OUDEH, M.D.P.A

DATED: 2/14/2020

BY:


  
R. JONATHAN CHARLESTON  
JOSE A. COKER  
Counsel for Defendants

**DR. IBRAHIM N. OUDEH, TERESA SLOAN-OUDEH,**  
**AND IBRAHIM N. OUDEH, M.D. P.A.**

DATED: 2/14/2020

BY:   
DR. IBRAHIM N. OUDEH

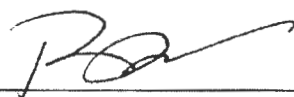
DATED: 2/14/2020

BY:   
TERESA SLOAN-OUDEH

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DR. IBRAHIM N. OUDEH, M.D.P.A

DATED: 2/14/2020

BY:   
R. JONATHAN CHARLESTON  
JOSE A. COKER  
Counsel for Defendants