



# PRESS NOTICE

J. STROM THURMOND, JR.  
UNITED STATES ATTORNEY  
DISTRICT OF SOUTH CAROLINA

---

1441 Main Street, Suite 500 \* Columbia, SC 29201 \* (803) 929-3000\*

---

July 25, 2003

**FOR IMMEDIATE RELEASE**

**CONTACT PERSON: Scott N. Schools  
(803) 929-3000**

**GUILTY PLEA**

COLUMBIA, South Carolina ---- United States Attorney J. STROM THURMOND, JR., stated today that, RICKEY M. MERRITT, age 53, of Greer, South Carolina, pled guilty yesterday in federal court in Greenville, South Carolina, to conspiracy to commit health care fraud, a violation of Title 18, United States Code, Section 371. United States District Judge Henry M. Herlong, Jr. of Greenville accepted the plea and will impose sentence after he has reviewed the presentence report which will be prepared by the U.S. Probation Office.

Evidence presented at the change of plea hearing established that Merritt was the owner of certain "Choice" community mental health centers in 1996 and 1997, and that he filed cost reports for reimbursement with Medicare which contained false expenses and falsely characterized costs, so as to avoid paying money which

Merritt's companies owed to Medicare. Co-defendant and certified public accountant PHILLIP McLAUGHLIN, of Little Rock, Arkansas, previously pled guilty for his involvement in the fraud scheme.

Mr. Thurmond stated the maximum penalty Merritt can receive is a fine of \$250,000 and/or imprisonment for 5 years, plus a special assessment of \$100.

The case was investigated by agents of the Federal Bureau of Investigation, and the Health and Human Services Office of Inspector General, Office of Investigations. Assistant United States Attorneys Stanley D. Ragsdale and Jennifer Aldrich of the Columbia office prosecuted the case.

#####