March 3, 2004

RAMON M. MORENO MEDICAL CLINIC (et al.)
Republic of the Philippines

PLEA AGREEMENT: The Office of the Inspector General (OIG) of the
Department of Defense (DoD) announced today that on March 2, 2004, Jose L.
Lopez, 53, of Quezon City, Republic of the Philippines, plead guilty to count 1 of the
indictment returned by the grand jury on September 17, 2003 for allegedly conspiring
to submit false claims relating to a medical fraud scheme that targeted TRICARE.
Wisconsin Physicians Service (WPS) located in Madison, WI, acts as a fiscal
intermediary for the TRICARE program. As a fiscal intermediary, WPS processes
and pays TRICARE claims, including claims submitted by military retirees residing
overseas.

The guilty plea was the result of a criminal investigation of TRICARE fraud in the
Republic of the Philippines. The indictment charged Lopez, a medical doctor who
operates the D & R Diagnostic Specialist Clinic in Quezon City, Philippines, with
conspiring to defraud the federal TRICARE program by allegedly filing numerous
fraudulent TRICARE claims. The allegedly bogus claims falsely represented that
military retirees and dependents had been hospitalized at clinics in the Philippines and
had received various medical services. Lopez was charged with conspiracy wherein
he allegedly allowed beneficiaries to keep 70 to 80 percent of the amount of the claim
or $76,314 - $87,216.69 with the remainder going to the provider. The claims totaled
$175,707.10 and resulted in a $109,020.86 loss to TRICARE. On November 9, 2003,
Dr. Lopez traveled to the U.S. from the Philippines to visit his brother in California.
Upon his arrival at the airport, the U.S. Marshal Service in San Francisco, CA
arrested Lopez. He was taken into custody until he posted bail and surrendered his
passport.

The conspiracy charge carries a potential sentence of not more than twenty years in
prison, a $250,000 fine, a $100 assessment, a three-year period of supervised release,
and the entry of an appropriate restitution order.