

TRILLION DOLLAR SCAM

TRILLION DOLLAR SCAM
Exploding Health Care Fraud

Saul William Seidman, MD, FACS



Universal Publishers
Boca Raton

Trillion Dollar Scam: Exploding Health Care Fraud

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Los Angeles County Hospital was a combat experience. It prepared me for medical/surgical practice in Vietnam. The rotating internship is an essential part of a young physician's education. It is nearly non-existent today.

My medical career took root in Vietnam. Learning to make-do with less than optimal equipment; learning on my feet with little experience in tropical diseases; learning from Navy nurses who had more experience. Learning to do surgery and assist at surgery were daily occurrences.

I worked in rural Thailand with dedicated Thai doctors and nurses who added breadth to my medical experience. The history and physical are the tools I learned to respect. We had few tools, other than the history and physical. A Thai nurse would translate while I asked the questions. We learned together to do what none of us had done before. We were mostly successful. We had no diagnostic laboratory; x-ray, when available, was primitive. We made a diagnosis with our ears, eyes, tongue, fingers, and hands.

Dr. Kramer at the National Hospital for Neurological Diseases in London helped polish my respect for the history and physical. Two months of neurology in London reinforced the significance of the history and physical.

Neurological surgery was a good choice for my career. My mentors, Dr. Olsen, Dr. Truex, Dr. German, Dr. Scoville, Dr. Whit-

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comb, Dr. Boldrey, Dr. Charles Wilson, Dr. Collins, Dr. Dunsmore, Dr. Fager, and Dr. Zervas, never left me hanging. If they could not be physically available, their teaching, advice, and guidance remained invaluable. I could always think, what would Dr. Fager do?

My patients provided appreciation and acknowledgement. Patients taught me the most. El Camino Hospital was a superior place to practice. The nurses were supportive and competent. They were an excellent source of referral. My patients were my chief source of referral. I received hundreds of phone calls from patients, their friends, and relatives for problems that were beyond my competence. They wanted the names of doctors I trusted. I did a great deal of general practice in addition to neurological surgery.

My life has been rich and fulfilling. My wife, Grace, is a support and a love. My children, Karen and Jennifer, have grown to know their father better through my writing. I am proud of my children, my wife, and my grandson, Michael William.

I am grateful for my life, my family, and my friends.

INTRODUCTION

“Government does not solve problems; it subsidizes them.”

Ronald Reagan (1911-2004)

Administration and Bureaucracy¹

The heaviest element known to science was recently discovered by investigators at a major U.S. research university. The element, tentatively named administratium, has no protons or electrons and thus has an atomic number of 0. However, it does have one neutron, 125 assistant neutrons, 75 vice neutrons, and 111 assistant vice neutrons, which gives it an atomic mass of 312. These 312 particles are held together by a force that involves the continuous exchange of meson-like particles called morons.

Since it has no electrons, administratium is inert. However, it can be detected chemically as it impedes every reaction it comes in contact with. According to the discoverers, a minute amount of administratium causes one reaction to take over four days to complete when it would have normally occurred in less than a second.

Administratium has a normal half-life of approximately three years, at which time it does not decay, but instead undergoes reorganization in which assistant neutrons and assistant vice neutrons exchange places. Some studies have shown that the atomic mass actually increases after each reorganization.

Research at other laboratories indicates that administratium occurs naturally in the atmosphere. It tends to concentrate at certain points such as government agencies, large corporations, and universities. It usually can be found in the newest, best-appointed, and best-maintained buildings.

¹ William DeBuvitz was a physics professor at Middlesex County College in Edison, New Jersey. Written in April 1988, this article appeared in the January 1989 issue of *The Physics Teacher*. He retired in June 2000.

Scientists point out that administratium is known to be toxic at any level of concentration and can easily destroy any productive reaction where it is allowed to accumulate. Attempts are being made to determine how administratium can be controlled to prevent irreversible damage, but results to date are not promising.

Necessary Conditions for the Destruction of Competent and Efficient Medical Care

In conversation with a known competent physician, Dr. D., I learned the following: Dr. D's brother, Dr. DW, is a physician specialist in neonatal childcare. He was hospitalized in a Midwestern hospital. Dr. DW had called Dr. D the week before his hospitalization to tell Dr. D that he had swollen ankles and difficulty breathing. Dr. DW had a history of a major heart attack at age 49. Following the heart attack, he had kidney failure. Dr. DW underwent a kidney transplant. He received anti-rejection drugs. He also underwent a major cardiac surgery to remove a bulge or aneurysm of the heart wall.

When Dr. DW arrived at the hospital he was seen by a cardiologist who did a series of tests. The cardiologist declared Dr. DW's heart was not the problem. The ankle swelling and the appearance of pneumonia on the chest x-ray was not due to cardiac failure, according to the cardiologist. The specialists began treating for pneumonia. Dr. DW's cardiologist assumed a pulmonary infection because of the lowered immunity. They began intravenous treatment with Bactrim², a drug specifically meant to destroy the pneumocystis³ infection frequently associated with kidney transplant patients. To assure themselves that Dr. DW did not have heart failure they performed a trans-esophageal echocardiogram⁴. The newly-emerged specialists treating Dr. DW did not find the test abnormal enough to make the diagnosis of heart failure. They treated for the suspected pneumonia.

The treatment for the "pneumonia" required an infusion of large volumes of fluid to carry the Bactrim. Dr. DW received 3 liters of

² Bactrim is a sulfa drug given intravenously to suppress the pneumocystis infection.

³ Pneumocystis is an infection of the lung which occurs in patients with compromised immune systems. Patients who undergo solid organ transplants, such as kidney transplants, are given anti-rejection drugs. Anti-rejections drugs compromise the immune system.

⁴ A large tube is placed in the esophagus containing an ultrasound device. It images portions of the heart. It is painful, requires anesthesia, and expensive.

fluid each day. His weakened heart and ailing kidney did not tolerate the fluid load. He became more and more ill. The cardiologist, pulmonologist, gastroenterologist, infectious disease specialist, the nurses, and all involved were unable to define the reason for Dr. DW's worsening condition. Finally, the nephrologist (kidney specialist) said that he did not know what was wrong, but Dr. DW should be seen at the hospital where he received the kidney transplant. No physicians coordinated the activities of all the specialists. No one was in charge. No one was responsible for the care of the patient.

Dr. D called his brother. His brother was dying. Dr. D flew to his brother's bedside. Dr. DW was transferred to the larger hospital where he had received the kidney transplant.

On arrival at the larger hospital, an experienced cardiologist made a clinical diagnosis of congestive heart failure⁵. No tests were necessary. Dr. DW received drugs to remove fluid from his swollen body. He improved rapidly. His abnormal chest film improved. He did not have pneumonia; instead, he had heart failure made worse by the fluid overload. He survived because his brother, Dr. D, flew to his bedside and did not leave until Dr. DW had a reasonable diagnosis and treatment.

The above scenario of misdiagnosis along with confused and inappropriate treatment is repeated thousands of times at thousands of institutions. The disaster repeats because of the lack of clinical diagnosis⁶. The older, more experienced cardiologist saw the patient, not the tests. He had learned from observing thousands of patients. He spoke to his colleagues. He recognized errors. The younger doctors were dependent on tests, not observations. While this is not an example of fraud, it is typical of the deterioration and ballooning costs of medical care.

Imagine Dr. D did not love his brother. Imagine Dr. D did not fly a red-eye flight to help care for his brother. The outcome would have been death, not recovery. If you are not worried about your medical care, you should be. We all need a flying doctor who loves us.

Doctors are under pressure to see more patients in less time. They think less and they consult less. They do not speak to each other about the problems of the patient. They are dependent on labora-

⁵ Congestive heart failure results from fluid overload of the heart.

⁶ Clinical diagnosis is a diagnosis made on what the patient tells the doctor and what the doctor observes. The clinical diagnosis is not dependent on tests, x-rays, CT scans, or other tools. Diagnostic tools are used to confirm a clinical diagnosis.

tory tests, x-rays, MRIs, CT scans, ultrasound examinations, etc. Examining the patient and thinking are a last resort in the current process of medical care. Medical intelligence is demeaned by the policy-makers in insurance companies and HMOs. Government-mandated guidelines add to the growing confusion and incompetence. This method is dumb, progressively more expensive, and lethal.

Specialists and super-specialists “care” for the patient. No one is in charge of the care. Each doctor looks at a part of the patient instead of the whole. Each patient contact brings a reward—the more contacts, the more pay. There is no reward for quality. Quality and efficient medical care bring lower compensation.

Add the piles of government money, HMO manipulation, and insurance company money to the equation and fraud is predictable. The process is similar to the failed medical care of the Soviet Union⁷.

Consumer Society

Our society is a consumer society. Two-thirds of our Gross Domestic Product (GDP) is dependent on consumer spending. The consumer (patient) has little say in his medical care. He does not know what he is buying, nor the quality of the product he is paying for. He does not know the appropriateness of the treatment recommended. He does not know whether he has received enough, too much, or not enough of the medication or treatment prescribed. The consumer (patient) remains ignorant of the entire process.

In my neurosurgical practice, over thirty years, most of the patients did not need surgery. About 80% had self-limiting conditions requiring no medical or surgical intervention. They needed a clinical diagnosis. They needed advice.

Few are willing to recognize the cause of medical fraud is government health care policy. When patients paid the doctor for their medical care directly, there was little opportunity for fraud.

Cheating, lying, stealing, and poor outcomes previously penalized the surgeon. Fewer patient referrals produced decreasing income. Patients were the source of two-thirds of the surgeries I performed. New patients were referred by prior patients. The several hundred referring physicians, who did refer patients, could never have referred the volume of patients seen in my office. Like an oil

⁷ The Soviets employed more than 600,000 health care workers for 146 million people. The Russian Federation is in the process of eliminating 300,000.

drop spreading on water, word spread by patients made my practice grow. It was lucrative and fun.

Patients knew I was accountable. The nurses knew I was accountable. No third party controlled how I treated the patient. No third party had control of the purse strings. It was in my best interest to achieve a good result for the patient. It was in my best interest to be efficient. It was in my best interest to choose the least traumatic surgery to realize the shortest hospital stay. My interests and my patient's interests were congruent.

Today, referral is made to an anonymous surgeon. The referring physician does not go to the operating room. She is a primary care provider. She does not review the MRI or CT or other tests. She does not personally know the surgeon's work. After the surgery, she does not know if the patient is dead or alive. Tied to her desk to see the next body, she has no idea what happened to the last.

The government now is a main payer. Over a trillion dollars was transferred to institutions, drug companies, hospitals, nursing homes, physicians, medical appliance manufacturers, pharmacies, etc. in the past year. Who would say the government is efficient? Who would say the government is transparent or accountable? Who would say the government has any notion where that money went and how it was ultimately spent? Our current non-system is an invitation to lying, cheating, and stealing.

We surgeons provide credence goods. The patient is ignorant of the surgical procedure and the indications⁸ for the procedure. The simplest procedure is usually the best for removing a tumor, fixing a nerve root compression from a herniated disc, removing an inflamed appendix, aligning a broken leg, etc.

I returned from a meeting of the Southern Neurosurgical Society, where my wife, Grace, and I watched a video presentation of the insertion of a mechanical lumbar disc. It is a demanding and highly precise exercise. The procedure is potentially fraught with serious complications. The neurosurgeon described the procedure as being done for back pain. I can guarantee that the operated patient will have back pain after the procedure. It hurt to watch. It was a high-risk procedure for a questionable indication. The risks included pa-

⁸ Indications for a surgical procedure are dependent on the surgeon's judgment. They also may be dependent on the needs of the surgeon. Some surgeons have high barriers to surgical treatment, and some have barriers which are not so high. Tight surgical criteria lead to better results.

ralysis, infection, re-operation, failure, and death. (Surgery for back pain always results in back pain.)

In my practice, more than 90% of patients with back pain improved without medical treatment. The exceptions to spontaneous improvement of back pain were those patients with litigation and/or worker-compensation issues and those whose back pain resulted in a neurologic abnormality. I could fix a neurologic abnormality resulting from nerve root compression. I could not surgically correct back pain.

The Honey Pot

Statistics for 2006 are available from Medicare. The nation's total health care spending was \$1.9 trillion. Net federal spending on Medicare was \$265 billion (about 12% of federal spending). Gross spending adds an additional \$50 billion for the Medicare bureaucracy (57,000 employees). Expenditures per beneficiary were \$11,714 in total expenses. Medicare beneficiaries' out-of-pocket expenses were \$231 billion (in 2004). These consisted of long-term care (36%), prescription drugs (22%), and provider visits and medical supplies (21%).⁹ 12% of Medicare beneficiaries spend 69% of Medicare funds.

We know the cost of Medicare, Medicaid, and medical spending in general. We do not know the value. Statistics are endless. No metrics and no best-practices information exists. Frequently ignored is the natural history of illness.¹⁰ Rewards accrue for prescription writing; rewards do not accrue for clinical diagnosis and advice.

This seat-of-the-pants system exists because of the complete lack of accountability and transparency. The patient (consumer) has no idea who does what well, where his care is best done, what are the costs, when the care is appropriate, or whether any of these activities are in his best interest.

Guaranteed are fraud, incompetence, stupidity, and a growing irresponsible bureaucracy.

⁹ Fact Sheet, Medicare, "Medicare Spending and Financing", *The Henry J. Kaiser Family Foundation*, April 2005

¹⁰ The natural history of illness is what happens without intervention.

No Metrics, No Accountability, No Transparency, No Statistics— The United Kingdom

Sixty years of government command and control of the National Health Service (NHS) has produced no metrics regarding British health care. Sixty years of “medical care” by a huge bureaucracy has produced no best-practices advice. No British patient has any idea of the competency, capability, or talents of the physician who is responsible for life and death decisions. A lack of clinical studies¹¹ is the norm. No transparency, no accountability, and no meaningful statistical studies make British medicine unsafe. Indeed, the centralized system has made U.K. medical care the most dangerous of all western nations.¹²

With 1.4 million employees, the National Health Service is the third largest employer in the world. Only the Chinese Red Army (2.2 million) and the Indian Railway System (1.9 million) have more employees.

The lack of any useful information about the proper care and treatment of the British patient is a deception in itself. The lack of accountability, transparency, and meaningful clinical evaluation studies makes fraud, deception, scams, over-treatment, rising expenses, incompetence, and stupidity predictable. NHS bureaucracies are established to provide meaningful statistics and best-practice information, but they fail to provide useful guidelines.

The same lack of clinical studies in the United States is the result of insurance companies, HMOs, and other bureaucratic organizations. In spite of centralization, no energy or money is spent to find the best and safest treatments for a particular diagnosis. We follow a broken model when we follow the National Health Service or Canadian Medicare.

The best physicians know adequate time with the patient and adequate knowledge of the patient will make the correct diagnosis 85% of the time. In the current climate of HMO and insurance company dictates, an increase in error is inevitable. Is this called a scam? Forcing a doctor to see patients in less time and splitting responsibilities is an unreasonable use of the doctor’s time. The doctor

¹¹ A clinical study looks at the diagnosis and treatment of a disease. The best management protocols are statistically analyzed. Doctors may be advised what works, what is dangerous, and what is efficient and useful in care.

¹² S. W. Seidman MD FACS, *Inevitable Incompetence*, Chapter 8, Universal Publishers, ISBN: 1-58112-947-5, 2007

is deprived of clinical experience. The doctor is ignorant and remains so. Billing events increase with the fragmenting of responsibilities.¹³

Policies are dictated by multiple levels of non-physicians and physician administrators who never have seen the patient. No best-practices information flows from the multiple levels of bureaucracies. It is in the best interest of the HMO to encourage the doctor (PCP)¹⁴ to move the ill, the near ill, and the worried well through the fee-collecting processes as quickly as possible. Return visits and new prescriptions raise the income levels of the HMO¹⁵. There are fees collected at every contact. The contacts are the doctor visit station, the pharmacy station, the laboratory station, the radiology station, the return visit station, the physical therapy station, and multiple other areas where additional fees are collected. Is this health care? Is this lying, cheating, and stealing? I believe it is the latter.

The elements of medical fraud are:

- Piles of government money
- The consumer's (patient's) lack of knowledge about what is appropriate or necessary
- Dishonesty. A large number of players are honest. Dishonesty is too easy.
- Importation of third-world-trained physicians and nurses
- Lack of oversight of physicians, hospitals, HMOs, and other "providers"
- No patient feedback
- Ease of defrauding the government bureaucrats
- Criminals
- Soft penalties, short incarcerations, and country club atmospheres at low-security prisons

¹³ Differentials between areas of the country and payment for diagnosis are extreme. Some hospitals achieve thousands more dollars for similar services compared with other institutions. Outcomes are frequently worse in the higher-paid hospitals.

¹⁴ PCP is the Primary Care Provider. This could be a doctor, nurse practitioner, physician's assistant, or certified medical assistant. It is in the best economic interest of the HMO to move outpatients through the turnstile as rapidly as possible. A powerful tool used by the HMO to lower costs and raise income is to use the least expensive PCP.

¹⁵ In 2005, Kaiser Health Plan achieved a \$36 billion gross income (form 990).

Introduction

- Destruction of the most intimate relationship¹⁶ between doctor and patient

Fraud comes in different sizes. The big fish, which are caught, make the newspaper. The little fish escape. Federal agencies go after big fish. Successful prosecution is where the FBI spends its energy. The chronic cheats are usually never caught. Little cheats are not caught. Middle-sized thieves frequently escape prosecution. *Trillion Dollar Scam: Exploding Health Care Fraud* will look at the results of government in medicine.

Trillion Dollar Scam is the result of discussions with real people, research, and medical and surgical experience gained over a lifetime. The opinions are mostly mine.

Saul William Seidman, MD, FACS
Cupertino, CA
September 2008

¹⁶ The most intimate relationship is between doctor and patient. Patients told me secrets they never told their spouses.

CHAPTER I

ROOT CAUSES OF HEALTH CARE FRAUD

...

*“The truth is cruel, but it can be loved, and it makes free those
who have loved it.”*

George Santayana, *Little Essays* (1920) “*Ideal Immortality*”

Numbers

In 2007, we, the citizens of the United States, spent \$2,200,000,000,000 (\$2.2 trillion dollars) for health care. Consider these numbers.

- World Gross Domestic Product (GDP) \$48.245 trillion
- European Union GDP \$14.609 trillion
- USA GDP \$13.194 trillion
- Japan GDP \$4.366 trillion
- Germany GDP \$2.915 trillion
- China GDP \$2.644 trillion
- United Kingdom GDP \$2.398 trillion
- France GDP \$2.252 trillion¹⁷

The \$2.2 trillion dollars we spent on health care is equivalent to the gross domestic product of France. Health care expenditures represent 16% of our GDP. This year, 2008, health care will consume more than \$2.3 trillion.

The projected rate of growth of health care expenditures is 9.9% per year. Health care expenditures have grown 2.5% more than GDP growth since 1970. At the current rate of growth, we will spend over \$4 trillion on health care in 2015; this is equivalent to the GDP of Japan¹⁸.

Our government does not address the major problems. The issue is the insane amount we spend on “health care.” The problem is not the uninsured, it is not the illegals, it is not the malpractice industry, and it is not the technological advances. The problem is the fault of government; the destructive forces are the monstrous amount of money available, the poor compensation of competent physicians, and the growth of bureaucracy. The number of bodies seen determines physician compensation. Competition in the medical profession does not exist as it did in the past. Other industries progress through competition. Medical gluttony is the rule. Quality does not count.

Medical care occurs between doctor and patient. Problems result from control given to the insurance companies, HMOs, and government programs. Fraud occurs because of the lack of patient

¹⁷ International Monetary Fund 2006 list of countries by GDP [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

¹⁸ Comparing Projected Growth in Health Care Expenditures and the Economy, May 2006, <http://www.kff.org/insurance/snapshot/chcmo502060th2.cfm>

power. As long as patients are not empowered, fraud, waste, and bureaucracy will continue to destroy good medical care.

I have more than thirty years experience in medical and surgical practice. I have personally encountered fraud in health care. My family and I have experienced incompetence and waste. I believe half of the \$2.2 trillion health care money is wasted. The sick and injured are benefited, but to a far less degree than insurance companies, HMOs, bureaucrats, and criminals.

Our Government: The Major Instrument of Fraud

Notes from Congressman Jim Cooper, Democrat from Tennessee

After the 2006 elections, the Democratic Party dominated Congress. They promised “change,” to clean up the mess made by the Republicans. They lied. Representative Cooper recognized that the real winners were the incumbents of both parties: “Despite their public disputes, both the Democratic and Republican wings of the Incumbent Party adhere to the same fundamental principles.”

- Pretend to address the problems while offering quick political fixes.
- Pretend to address the Alternative Minimum Tax, now punishing the middle class, by offering budgetary gimmicks.
- Argue that today’s budgets have almost nothing to do with the unsustainability of Medicare and Social Security.
- Describe the portion of the cumulative national debt per citizen as \$29,000. Ignore the fact that a more accurate figure (audited) is \$170,000 per person or \$440,000 per household.
- Pledge to protect Social Security and Medicare “trust funds” while knowing these trust funds do not exist.
- Promise Social Security and Medicare benefits while knowing these benefits are not promises, but “scheduled benefits.” Congress can eliminate or reschedule benefits by a majority vote at any time.
- Use the “surplus” in Social Security accounting gimmicks to hide the true size of the federal deficit.
- Exempt the federal government from the Generally Accepted Accounting Principles (GAAP). The federal gov-

ernment is the only large entity in the United States able to flout the rules. Even the state governments have some level of accounting accountability. The Republican Contract with America pledged that Congress would abide by the laws it passes. The Republicans lied. The Democrats lied.

- Subsidize employer-sponsored health plans with the largest tax breaks. The tax vacuum created sucks up any potential worker's pay raise and transfers it to the health care sector of the economy.
- Never tell the taxpayer that Standard and Poor has projected that by 2012 the U. S. Treasury will lose its AAA rating. S & P is predicting that Treasuries will become junk by 2025.¹⁹

Our politicians are creating a Third World nation from what was the leading hope of the world. Democrats have a chance to reverse the trend toward destruction. Populism will not work. I fear for our children's freedom and safety. Greed, fraud, stupidity, and an inability to learn from history is the path to the future. I am not happy to be old. I am more concerned about the future of my children and grandchildren.

In 2006, the federal government spent \$1.3 trillion dollars more than it took in. This 2006 deficit is equal to \$11,434 per household. This deficit is more than all the income taxes collected from all the households in 2006. Taxpayers (that is us, folks) are on the hook for \$59.1 trillion, an amount equal to \$516,348 per household. The amount owed by all taxpayers is more than the amount that all households owe for mortgages, car loans, credit cards, and every other debt combined. This is the combined accumulated deficit.

The Financial Accounting Standards Advisory Board (FASAB) sets federal standards for all business reporting. They recommend the federal government use the same accounting requirements as any business. If adopted, Social Security and Medicare would be included in the government's balance sheet. The fraud of the "off-budget" status of Social Security and Medicare would become part of the federal budget. "The White House and the Congressional Budget Office

¹⁹ Democratic congressman Jim Cooper from Tennessee, *The Wall Street Journal*, Friday, April 13, 2007, p.A13

oppose the change, arguing that the programs are not true liabilities because the government can cancel or cut them.”²⁰

The federal annual debt service is \$184 billion. It will take 240 years to pay down the deficit if there is no new borrowing. From 2001 to 2006 Medicare costs increased 54%, Medicaid costs 53% and Social Security 28%. Unfunded liabilities, Medicare, Medicaid, and Social Security stand at \$58.6 trillion.²¹

The state of California’s debt service is \$3.4 billion annually. California’s total debt is \$63 billion. It will take at least 84 years to pay down the California debt if there is no new borrowing. California’s unfunded liabilities are \$99 billion. Increasing taxes is not reasonable. California’s personal income tax is 9.3% in the highest brackets making it number two in the nation. The state sales tax, at 7.25%, is the highest in the nation.²²

Fraud begins at the top. Lying, cheating and stealing are routine behaviors for our politicians. Citizens do not know or do not care that our governments are flirting with bankruptcy.

Honesty in government is the key to our country’s survival. Given the consistent dishonesty and fraudulent behavior of our politicians, I am not optimistic.

Medical fraud, war profiteering, junkets from lobbyists, sex, booze, free air travel, and golf in Scotland sponsored by “not-for-profit” organizations are only some of the temptations slimed in the paths of our politicians— the same politicians some of us are willing to trust with our medical care. They make the rules, they appropriate the money, and they build the institutions. The politicians retire rich, very rich. Our tax dollars consistently fund the corruption of a growing and venal bureaucracy.

Most of us ignore history. Whether out of delusion or religious fervor, we are willing to trust our government. I believe it is insanity to continue in our present direction. Redistribution of wealth is a mantra for the left. Our representatives redistribute our wealth to themselves. Only more bribery, sleaze, dishonesty, and fraud can

²⁰ Dennis Cauchon, “Rules ‘hiding’ trillions in debt, Liability \$516,348 per household”, *USA TODAY*, 5/29/2007, http://www.usatoday.com/printedition/news/20070529/1a_lede29.art.htm

²¹ Tom Campbell, former U.S. Congressman and professor of business at UC Berkeley, provided these numbers at a South Peninsula Area Republican Coalition event. As reported in the *Los Altos Town Crier*, April 16, 2008, p. 14

²² *Ibid.* In addition, local taxes are collected by the state. The sales tax is above 8% in most of California.

result from the expansion of an opaque and unaccountable government.

The 24-cent Solution

Taxpayer dollars contributed \$1 trillion to health care expenditures. Medicare, Medicaid, Social Security Disability, and other entitlements handed over \$1 trillion to non-citizens and US citizens in indemnity benefits. How efficient was this distribution? Taxpayers receive a tangible value of 24-cents for every public dollar spent²³. The rest is absorbed by fraud, abuse, bureaucracy, overhead, salaries, paper, printers, monuments, buildings, desks, retirement funds, health insurance, parking lots, disability funds, etc., etc., etc. Giving the government more control over our money and our health care is nuts.

Root Causes of Medical Fraud

The root cause of corruption is government. The more freedom and responsibility we surrender to the regime, the more corrupt the “leaders” become. Increases in arrogance, egotistical behavior, greed, and stupidity are inevitable in an enlarging bureaucratic enterprise. Examples of this abound.

Government control and funding of every enterprise has created fraud. Bundles and buckets of tax dollars destined for federal programs have always encouraged dishonest and manipulative cheats, liars, and thieves. War profiteering has occurred in all of our conflicts. Little or no accountability and no transparency exist in Medicare, Medicaid, and workers’ compensation. Generally Accepted Accounting Principles (GAAP) is absent. “Off-budget” is larger than “on-budget” expenditures— more than \$2.9 trillion are spent off-budget, while \$2.6 trillion are spent on-budget.

The bureaucrats that are responsible for policing these programs are at best lazy or incompetent. Not infrequently, they are on the take. Many of our politicians are in prison because of government programs which provide the fodder for greed, dishonesty, and theft. Many of the same politicians escape punishment by their guile, connections, and influence.

²³ Scot Faulkner, *Naked Emperors*, Rowman and Littlefield, 345 pages, \$27.95

Reducing institutional opportunities reduces corruption. The larger the pile of taxpayer money, the more political whores will look for ways to cheat, lie, and steal.

The U.S. General Accountability Office, the official watchdog agency of the federal government, describes waste and financial mismanagement in every government agency from the Pentagon to Medicare.²⁴ Few government agencies can police themselves. None can eliminate the fraud in every government program.

Trust Us— We Represent Your Best Interests

Four hundred twenty (an incomplete list) politicians are described by *Political Graveyard*. They got into trouble or were disgraced. The more notorious advocates of government-run medical care are:²⁵

Edward Moore Kennedy, U. S. Senate, pleaded guilty to leaving the scene of an accident which killed Mary Jo Kopechne. Senator Kennedy was never disciplined.

Barney Frank, U. S. House of Representatives, hired Stephen Gobie, a male prostitute, for sex and subsequently hired him as a personal assistant. Mr. Gobie got 33 parking tickets fixed for Mr. Frank. No real discipline occurred.

John Patrick Murtha, Pennsylvania representative, was cited by a grand jury as an unindicted co-conspirator in the Abscam FBI sting operation.

Alberto Gutman, Florida state senator, served five years in prison for fraud. He received over \$800,000 in Medicaid payments through fraudulent means.

James Anthony Traficant, Jr., U.S. House of Representatives, was sentenced to prison for ten counts of bribery and racketeering.

Carl Christopher Perkins, U.S. House of Representatives, committed bank fraud and was sentenced to 21 months in prison.

Albert Garza Bustamante, U.S. House of Representatives, was convicted of racketeering and bribery and was imprisoned.

William James McCuen, U.S. House of Representatives, was sentenced to 17 years in prison for kickbacks and tax evasion.

²⁴ "A Beautiful Sunset", *Wall Street Journal*, June 1, 2006, p. A14

²⁵ *Political Graveyard*, <http://politicalgraveyard.com/special/trouble-disgrace.html>