

**United States Attorney Melinda Haag  
Northern District of California**

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FOR IMMEDIATE RELEASE

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**California Rural Indian Health Board Inc. Settles False Claims Act Lawsuit**

SAN FRANCISCO - The California Rural Indian Health Board Inc. ("CRIHB"), a nontribal entity and grantee of the U.S. Department of Health and Human Services ("HHS"), Substance Abuse and Mental Health Services Administration ("SAMHSA"), agreed to pay the United States \$532,000, and to be terminated from an existing SAMHSA grant, thereby relinquishing funds valued at over \$4.6 million, announced United States Attorney Melinda Haag. In addition, CRIHB will be subject to certain administrative conditions imposed by SAMHSA, and will not be eligible to apply for any new SAMHSA funding opportunities for two federal fiscal years.

The settlement resolves a lawsuit filed against CRIHB in July 2012 by the U.S. Attorney's Office under the federal False Claims Act, 31 U.S.C. §§ 3729-33. The United States alleged that CRIHB submitted false claims by, among other things, eliminating the substance abuse screening and assessment required of certain Access to Recovery ("ATR") program applicants, and instructing ATR service providers to pay for prohibited expenses, such as the clients' rent, mortgage, utilities, and auto repairs. The lawsuit further alleged that CRIHB instructed the ATR service providers to bypass voucher rules, all contrary to the terms of the ATR grant and HHS regulations.

"This settlement is a victory for all ATR clients who need substance and alcohol abuse treatment and recovery support. It sends a clear message that my office is committed to ensuring that federal grant funds are used for their intended purpose." U.S. Attorney Haag said.

Gioconda Molinari and Douglas Chang are the Assistant U.S. Attorneys who handled the case with the assistance of Paralegal Tiffani Chiu and Auditor Michael Zehr. The settlement is the result of a four-year investigation by the HHS-Office of Inspector General, led by Special Agent Jennifer Spaulding.

**Further Information:**

Case #: CV 12-4024 LB (EDL)

A copy of this press release may be found on the U.S. Attorney's Office's website at [www.usdoj.gov/usao/can](http://www.usdoj.gov/usao/can).

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at [www.cand.uscourts.gov](http://www.cand.uscourts.gov).

All press inquiries to the U.S. Attorney's Office should be directed to 415-436-7200.