

## Allstate Awarded \$850,000 in Fraud Case

### WASHINGTON STATE JURY AWARDS ALLSTATE \$850,000 IN REFERRAL KICKBACK SCHEME

Editorial Staff

Allstate Insurance Co. was awarded \$850,000 by a Washington state jury in a fraud case involving two chiropractic clinics (one in Oregon, one in Washington) and their nonchiropractic owners.

The case involved kickbacks to law firms for referring auto accident victims to the clinics. Further, the clinic owners, who were not doctors, per state law did not have the legal right to own the clinics. Laypersons in Washington state cannot own a chiropractic clinic; in Oregon, laypersons cannot own 50 or more percent of a chiropractic clinic. The owners of the two clinics sought to subvert the law by "selling" the clinics, while in reality never giving up ownership.

This is the largest fraud case Allstate has ever been involved with in the Pacific Northwest. The company will ask the court for damages that are three times that of the jury award, plus attorney fees.

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#### FSCO Backs ACA in Federal Lawsuit

The Federation of Straight Chiropractors and Organizations (FSCO) has announced its support and encouragement to the American Chiropractic Association (ACA) for its lawsuit against the U.S. Department of Health and Human Services and the Health Care Financing Administration (HCFA).

Since the implementation of HCFA's Medicare HMO plans, medical doctors, and, until recently, physical therapists, have been substituted for chiropractors to provide manual manipulation of the spine.

"This is totally unacceptable to the FSCO," said Dick Plummer, DC, chairman of the FSCO. "It is for this reason that we have chosen to support the ACA in this action."

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#### Package Bomb Injures U.S. Chiropractor in Saudi Arabia

The U.S. Embassy in Riyadh, Saudi Arabia reports that Gary Hatch, DC, was critically injured May 3 when a small package delivered by courier to the Saad Specialist Hospital in Khobar exploded when he attempted to open it. Dr. Hatch was injured in the face, hands and left leg. Dr. Hatch has undergone surgery and is reported in stable condition.

The U.S. and British embassies in Riyadh have been warning their countrymen living in Saudi Arabia to be on the alert for car and mail bombs, as a number of British citizens were victims of car bombs late last year. Back in June 1996, a terrorist truck bomb exploded on the perimeter of the U.S. portion of the Khobar Towers housing complex in Dhahran, Saudi Arabia, killing 19 Air Force servicemen.

Dr. Hatch has worked at the Saad hospital for a little more than five years. A hospital administrator said he was not aware of any threats made against the hospital or Dr. Hatch.

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### Chiropractic - a Boost for Slumping Hitter?

Matt Williams, third baseman for the Arizona Diamondbacks major league baseball, found the going tough in the early part of the season. He was hitless and had developed back spasms prior to a Friday night game. Thirty minutes before the game, Matt received an adjustment. The good news was that he was able to play; the bad news was his hitless streak was now at 0-18.

In the next game, however, Matt hit a single to spark a rally.

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