

January 28, 2021

**Steve Marshall**  
Alabama Attorney General



For press inquiries only, contact:

Mike Lewis (334) 353-2199

Joy Patterson (334) 242-7491

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**Former Birmingham Area Psychologist Sentenced  
for Defrauding State Medicaid Agency of at Least \$1.5 Million**

(MONTGOMERY) – U.S. Attorney Prim Escalona, Alabama Attorney General Steve Marshall and U.S. Department of Health and Human Services -OIG Special Agent in Charge Derrick Jackson, announced the sentencing today of Sharon D. Waltz for defrauding the Alabama Medicaid Agency of at least \$1.5 million. Waltz, 51, operated Capstone Medical Resources in a number of locations around Alabama, with its primary office in Birmingham. Waltz billed the Medicaid Agency for counseling services that were never provided.

Waltz was sentenced to three years imprisonment and ordered to repay \$1.5 million to the Medicaid Agency by U.S. District Court Judge R. David Proctor after she pleaded guilty in 2019 to one count of conspiracy to commit healthcare fraud for filing false claims to the Alabama Medicaid Agency for individual and group counseling services for at-risk youth.

An investigation was initiated by the Program Integrity Division of the Alabama Medicaid Agency after an audit showed that billings submitted by Capstone for counseling services had increased from \$99,000 in 2015 to more than \$2 million in 2017. The Program Integrity Division referred its findings to the Attorney General's Medicaid Fraud Control Unit after Waltz submitted falsified records during the Program Integrity Audit.

A subsequent investigation was conducted by the Medicaid Fraud Control Unit and the Office of Investigations of the U.S. Department of Health and Human Services Office of Inspector General. This investigation determined that most claims submitted by Capstone during 2016 through 2018 were fraudulent.

“Waltz’s actions demonstrated reckless disregard for at-risk youth, and she will now face the consequences of those actions,” U.S. Attorney Prim F. Escalona said. “Today’s sentence represents the relentless commitment by the U.S. Attorney’s Office and our law enforcement partners to protect the resources dedicated to the members of our community that are the most vulnerable, our children.”



Attorney General Marshall said, "It is important that Sharon Waltz be fully held to account for engaging in her illegal and immoral scheme to steal from hard-working taxpayers and profit off at-risk children. As Attorney General, I stand committed with our friends in federal law enforcement to seek out and punish anyone who plunders the public treasury and harms those whom they were entrusted to serve."

"Today's sentencing should serve as a reminder to everyone who transacts business with federal health care programs, including Medicaid, that those programs are protected by a dedicated team of investigators and prosecutors," said Derrick L. Jackson, Special Agent in Charge for the Office of Inspector General of the U.S. Department of Health and Human Services. "We will not tolerate fraudulent actors who illegally enrich themselves at the expense of patients and the American people."

The U.S. Department of Health and Human Services OIG, the Alabama Attorney General's Medicaid Fraud Control Unit and the Program Integrity Division of the Alabama Medicaid Agency investigated the case. Assistant U.S. Attorney J.B. Ward and Assistant Attorney General Bruce Lieberman, working as a Special Assistant U.S. Attorney, prosecuted.