



## Planned Parenthood under investigation for fraud



Allie Martin - OneNewsNow EXCLUSIVE - 9/30/2008 10:00:00 AM



More than 50 members of Congress have asked the Health and Human Services Secretary to conduct an audit of Planned Parenthood over allegations that the abortion provider has overbilled the federal government.

[The request for the audit was initially made](#) by a coalition of faith-based groups, including the American Family Association. Planned Parenthood receives federal funding through the Title X Family Planning Program, a 90-percent Medicaid match for family planning, and a federal program to purchase drugs from manufacturers at a reduced price.

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**Regardless of the findings of an audit into allegations of gov't fraud, all federal funding of Planned Parenthood should cease.**

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Four years ago, state auditors in California began reviewing Planned Parenthood affiliates, but the audit was stopped after only one review was completed. That review found that Planned Parenthood of San Diego and Riverside counties overbilled the government more than \$5.2 million.

Ray Ruddy, president of Gerard Health Foundation, is leading the call for a federal investigation. He says, unlike other federal contractors, Planned Parenthood does not have to bill the government at cost, but is able to bill at what they call "normal and customary rates."

"Let's say, right now, everybody bills the federal government at their cost, plus eight percent. Most vendors, ...whether they're wholesalers or retailers, actually bill out and mark up their stuff anywhere between 50 and 100 percent," Ruddy explains. "If you take everybody who's billing the federal government and they start to mark up their stuff, their materials they provide, by 50-to-100 percent -- I have not even begun to make a calculation of that, but I bet that would be in the billions of dollars."

Ruddy also alleges that officials in California redefined the term "at cost" to validate what he says are fraudulent billing practices of Planned Parenthood. He believes Planned Parenthood could have fraudulently billed the federal government in excess of \$180

million.

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