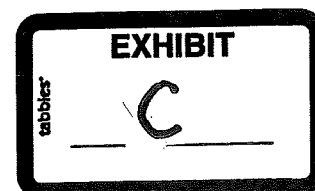


STATE OF MISSISSIPPI  
COUNTY OF LEFLORE

**AFFIDAVIT OF DEBORAH LEA**

Personally came and appeared before me the undersigned authority, in and for said county and state, the within named Deborah Lea, who being first by me duly sworn upon her oath says:

1. My name is Deborah "Debbie" Lea and I am an adult resident citizen of Leflore County, Mississippi.
2. I am currently employed by Greenwood Leflore Hospital ("GLH") as the Revenue Cycle Director.
3. Beginning in 2003, GLH contracted with Stanley "Stan" M. Beaty ("Beaty"), Alcon, Inc., and Alcon Corporation (collectively, "Alcon") to provide "early out" patient account collections on behalf of GLH by executing a certain Extended Business Office Agreement ("Agreement") . Under the terms of GLH's Agreement with Alcon, GLH referred past due patient accounts to Alcon. Alcon utilized "soft" collection methods consisting primarily of collection letters. Collection letters were sent by Alcon to past due patient accounts at 30 day intervals being 60, 90, and 120 days from the initial past due date. The patients were to remit their payments directly to GLH.
4. As the Revenue Cycle Director, one of my responsibilities was administering the Alcon contract by transmitting to Alcon daily reports of money collected, and paying the invoices submitted by Alcon. GLH paid Alcon a ten percent (10%) commission on payments received from the past due patient accounts.
5. On a regular basis, Alcon sent GLH a long, multi-page invoice with numerous line items listing patient name, payment, date of payment, commission and remaining balance, if any. The invoice contained no subtotals on each page, rather a purported grand total at the end with a total commission. These invoices were reviewed by a GLH employee, with the total submitted to me for payment.
6. On July 20, 2015, I was contacted by Eva Hensley, a former Alcon employee. Ms. Hensley stated that Beaty and Alcon had been systemically overbilling GLH, as well as their other clients, for a number of years. Ms. Hensley said Beaty and Alcon were overbilling GLH and she was terminated after she objected to the overbilling to Beaty. Ms. Hensley also informed me that she had provided this information to law enforcement.
7. Late on July 20, 2015, GLH received an Alcon invoice for period ending July 15, 2015. Having been alerted to Beaty and Alcon's overbilling scheme, I determined the invoice received on July 20 overstated the amount collected as well as commission due to Alcon. Beaty never withdrew or sent a corrected invoice for period ending July 15, 2015.



8. I began an internal investigation which consisted of spot checking several months of Alcon invoices. I was able to confirm Ms. Hensley's information. My investigation revealed that while each individual line item on the multi-page invoice was correct, the sum total amount listed as collected on the last page at the end of the invoice (and corresponding commission due to Alcon) was inflated so that GLH was paying Alcon excessive commissions.
9. On or around July 23, 2015, I called Beaty informing him that GLH had found some overbilling on invoices from Alcon.
10. On July 24, 2015, Beaty told me *via* e-mail that Eva Hensley had been terminated for misappropriating funds. Beaty stated that he had reviewed GLH's invoices going back to 2013 and discovered \$70,000.00 in overbilling. He promised that GLH "will be reimbursed including interest for all overbilling." He stated, "This payment will be forwarded to the hospital by August 31, 2015." He also promised that he would provide an update by August 27. He concluded by saying, "I will make myself available at the hospital's convenience." *See* true and correct copy of the e-mail correspondence between myself and Beaty attached hereto as Exhibit 1.
11. On July 24, 2015, I responded to Beaty *via* e-mail that that I had spot checked an invoice for July, 2012 and found overbilling. Beaty responded *via* e-mail on the same day claiming he met with his lawyer and accountant about his action toward Ms. Hensley. He also claimed he was in the process of reviewing all invoicing going back to 2010, and would review past 2010 next week. He also promised that "Greenwood . . . will be compensated to the penny for what has happened." *See* Exhibit 1.
12. On July 29, 2015, I e-mailed Beaty again for an update because I had not received any follow-up communication. *See* true and correct copy of the e-mail correspondence between myself and Beaty attached hereto as Exhibit 2.
13. On July 30, 2015, Beaty e-mailed me and stated that he had looked back to 2009 and found approximately \$159,000.00 that was "not matching our 2004 contract for Greenwood." Beaty also promised to provide a "detail report next week month to month." *See* Exhibit 2.
14. The next communication received from Beaty occurred on August 5, 2015, when he e-mailed me stating that he had requested a "comparative report of Greenwood payment uploads, our daily posting statements and our invoices to the hospital for the period of 2009 forward to present." Beaty then said, "This is to be completed today and after review forwarded to you." *See* Exhibit 2.
15. Beaty failed to provide the promised report. The last communication I received from Beaty was on August 10, 2015, when he provided a report which did not contain the information promised. The report he sent only showed the amount Alcon billed GLH with corresponding payments by GLH. *See* true and correct copy of the e-mail correspondence between myself and Beaty attached hereto as Exhibit 3.

- 16. Since August 10, 2015, I have tried to contact Beaty by telephone and e-mail repeatedly with no success. GLH has received no further communication from Beaty since August 2015.
- 17. Beaty failed to tender the partial payment of \$70,000.00 by August 31, 2015 as promised.
- 18. On September 2, 2015, I sent an e-mail to Beaty terminating the Alcon contract. In the e-mail, GLH demanded "Return all of Greenwood Leflore's patient collection files immediately..." Beaty never replied to this e-mail. Neither Beaty nor Alcon turned over any collection records to GLH. See true and correct copy of the e-mail correspondence between myself and Beaty attached hereto as Exhibit 4.

AND FURTHER, AFFIANT SAITH NOT.

*Deborah Lea*  
 \_\_\_\_\_  
 DEBORAH LEA

SWORN TO AND SUBSCRIBED BEFORE ME, this the 4 day of Dec,  
 2015.

*Veronica Vernice Shavers*  
 \_\_\_\_\_  
 Notary Public



**EXHIBIT A**

**E-Mail Correspondence Between Debbie Lea and Stan Beaty**

**Lea, Debbie**

---

**From:** Stan Beaty <stanb@alconcorp.com>  
**Sent:** Friday, July 24, 2015 8:25 AM  
**To:** Lea, Debbie  
**Subject:** RE: over billing

**Categories:** Blue Category

I should have elaborated

We are reviewing all invoicing for all clients going back to 2010. We will go back past 2010 next week. This weekend will give a perspective as to the length and depth of Ms Hensley actions.

On Monday my accountants and attorney, Jon McClanahan, William Smith and E. E. Edwards, respectively will meet to determine our actions toward MS Hensley.

Let me stress, Greenwood and all our clients will be compensated to the penny for what has happened.

Stanley Beaty  
President, Alcon and Healthcare Contract Services, Inc.  
65 Linden Ave  
Memphis, Tennessee 38103  
Office: 901-523-1546  
Fax: 901-526-0875

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**From:** Lea, Debbie [<mailto:dlea@glh.org>]  
**Sent:** Friday, July 24, 2015 8:15 AM  
**To:** Stan Beaty <[stanb@alconcorp.com](mailto:stanb@alconcorp.com)>  
**Subject:** RE: over billing  
**Importance:** High

Stan- I appreciate this update. However, I believe we need to review back further. I spot checked an invoice from July 2012 and found the same issue.

I will forward this e-mail to hospital administration and our in-house compliance officer for their files and input.

Again- thank you for your timely response to this issue.  
Debbie Lea

**From:** Stan Beaty [<mailto:stanb@alconcorp.com>]  
**Sent:** Friday, July 24, 2015 7:58 AM  
**To:** Lea, Debbie  
**Subject:** over billing

Good morning:



*Stanley*  
On Wednesday August 17, Eva Hensley was terminated for misappropriating company funds. In her position of management, she held the responsibility of preparing client invoicing, month end close, A/R and A/P.

Beginning on April 1, 2015 a review of department practices determined irregularities.

We have reviewed invoicing for Greenwood Leflore Hospital through August 2013 and have accounted for \$70,000.00 in over billing. We are continuing our review and will up date on Monday August 27.

The actions of company staff and the responsibility for correcting rests on our "shoulders". To that regard, Greenwood Leflore will be reimbursed including interest for all over billings. Interest will be calculated based on prime plus .25 point per SUNTRUST as of December 30 of each year. This will be forwarded to the hospital by August 31, 2015.

I will make myself available at the hospital's convenience.

Stanley Beaty  
President, Alcon and Healthcare Contract Services, Inc.  
65 Linden Ave  
Memphis, Tennessee 38103  
Office: 901-523-1546  
Fax: 901-526-0875

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**Lea, Debbie**

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**From:** Stan Beaty <stanb@alconcorp.com>  
**Sent:** ✓ Monday, August 10, 2015 8:03 AM  
**To:** Lea, Debbie  
**Subject:** RE: Greenwood Leflore  
**Categories:** Blue Category

We will be forwarding the first of three (3) reports this afternoon about 1:00

Stanley Beaty  
President, Alcon and Healthcare Contract Services, Inc.  
65 Linden Ave  
Memphis, Tennessee 38103  
Office: 901-523-1546  
Fax: 901-526-0875

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-----Original Message-----

**From:** Lea, Debbie [mailto:dlea@glh.org]  
✓ **Sent:** Monday, August 10, 2015 7:58 AM  
**To:** Stan Beaty <stanb@alconcorp.com>  
**Subject:** RE: Greenwood Leflore  
**Importance:** High

Stan- Do you have an update on this report yet?  
Thanks  
Debbie Lea

-----Original Message-----

**From:** Stan Beaty [mailto:stanb@alconcorp.com]  
✓ **Sent:** Wednesday, August 05, 2015 8:08 AM  
**To:** Lea, Debbie  
**Subject:** RE: Greenwood Leflore

On Friday July 31 ,2015 I requested a comparative report of Greenwood payment uploads , our daily posting statements and our invoices to the hospital for the period of 2009 forward to present.

This is to be completed today and after review forwarded to you.

Stanley Beaty  
President, Alcon and Healthcare Contract Services, Inc.  
65 Linden Ave  
Memphis, Tennessee 38103



Office: 901-523-1546  
Fax: 901-526-0875

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-----Original Message-----

From: Lea, Debbie [mailto:dlea@glh.org]  
Sent: Friday, July 31, 2015 8:01 AM  
To: Stan Beaty <stanb@alconcorp.com>  
Subject: RE: Greenwood Leflore

Thanks, I will forward this to administration and compliance. Please keep us updated.

-----Original Message-----

From: Stan Beaty [mailto:stanb@alconcorp.com]  
Sent: Thursday, July 30, 2015 6:17 PM  
To: Lea, Debbie .  
Subject: RE: Greenwood Leflore

I've looked at a summary from 2009 forward. We will produce a detail next week month to month.

I am seeing \$159,000.00 that is not matching our 2004 contract for Greenwood.

Stanley Beaty  
President, Alcon and Healthcare Contract Services, Inc.  
65 Linden Ave  
Memphis, Tennessee 38103  
Office: 901-523-1546  
Fax: 901-526-0875

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-----Original Message-----

From: Lea, Debbie [mailto:dlea@glh.org]  
Sent: Thursday, July 30, 2015 4:19 PM  
To: Stan Beaty <stanb@alconcorp.com>  
Subject: RE: Greenwood Leflore

Stan--Are you able to e-mail an update? I think it's important that you keep us informed on what you've found.



Thanks  
Debbie Lea

-----Original Message-----

From: Stan Beaty [mailto:stanb@alconcorp.com]  
Sent: Thursday, July 30, 2015 8:51 AM  
To: Lea, Debbie  
Subject: Re: Greenwood Leflore

I'll be in office at 2

Sent from my iPhone

On Jul 29, 2015, at 4:39 PM, "Lea, Debbie" <dlea@glh.org<mailto:dlea@glh.org>> wrote:

Stan- Could you give me an update on your findings so far. We are not finished here but I wanted to see if what you are finding is what we see with what we have done.

Thanks!

Debbie Lea  
Revenue Cycle Director  
Greenwood Leflore Hospital  
662-451-7561

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**Lea, Debbie**

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**From:** Stan Beaty <stanb@alconcorp.com>  
**Sent:** ✓ Monday, August 10, 2015 6:01 PM  
**To:** Lea, Debbie  
**Subject:** RE:  
**Categories:** Blue Category

We will determine the discrepancies when we compare the uploads from the hospital to the invoice detail. These are next two reports

Stanley Beaty  
President, Alcon and Healthcare Contract Services, Inc.  
65 Linden Ave  
Memphis, Tennessee 38103  
Office: 901-523-1546  
Fax: 901-526-0875

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-----Original Message-----

**From:** Lea, Debbie [mailto:dlea@glh.org]  
**Sent:** Monday, August 10, 2015 5:58 PM  
**To:** Stan Beaty <stanb@alconcorp.com>  
**Subject:** RE:  
**Importance:** High

Stan-

So at this point what do you show we have been over invoiced? This seems to only show we have paid your invoiced amount. I don't see anything showing the discrepancies.

Debbie

-----Original Message-----

**From:** Stan Beaty [mailto:stanb@alconcorp.com]  
**Sent:** Monday, August 10, 2015 5:27 PM  
**To:** Lea, Debbie  
**Subject:** FW:

This is a scanned copy a report showing month to month invoice amounts. We are converting to excel and will forward tomorrow . These figures should 'foot' back to the detail that is forwarded to the hospital by our office. This detail should, also, 'foot' to the payment transactions uploaded from the hospital.

Note in March of 2009 the beginning of a downward trend.



We are working toward resolution/answers. I am in hope to conclude this time next week.

Stanley Beaty  
President, Alcon and Healthcare Contract Services, Inc.  
65 Linden Ave  
Memphis, Tennessee 38103  
Office: 901-523-1546  
Fax: 901-526-0875

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-----Original Message-----

From: [scanner@hcs2000.com](mailto:scanner@hcs2000.com) [mailto:[scanner@hcs2000.com](mailto:scanner@hcs2000.com)]  
Sent: Monday, August 10, 2015 3:36 PM  
To: Stan Beaty <[stanb@alconcorp.com](mailto:stanb@alconcorp.com)>  
Subject:

This E-mail was sent from "RNPEE5FFA" (Aficio MP 4000).

Scan Date: 08.10.2015 16:36:08 (-0400)  
Queries to: [scanner@hcs2000.com](mailto:scanner@hcs2000.com)

**Lea, Debbie**

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**From:** Lea, Debbie  
**Sent:** ✓ Wednesday, September 02, 2015 2:20 PM  
**To:** Stan Beaty (stanb@alconcorp.com)

**Importance:** High

Alcon is in breach of its contract with Greenwood Leflore Hospital dated October 1, 2003. Stop all collection efforts immediately. Greenwood Leflore has terminated your access to its accounting system. Send any funds collected that are on hand immediately, if any funds collected were paid directly to Alcon. Return all of Greenwood Leflore's patient collection files immediately to my attention as required by HIPAA. Provide the promised detail accounting of all overbillings to Greenwood Leflore immediately.

*Debbie Lea  
Revenue Cycle Director  
Greenwood Leflore Hospital  
662-451-7561*

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