

October 20, 2004

*Will PLMD get pre-election gift from Bush?*

PolyMedica Corporation (NASDAQ: PLMD, \$32.51) is one of the nation's largest and most egregious examples of Medicare abuse. [here to view reports on PolyMedica.](http://asensio.com/Reports/CompleteRecordCompany.aspx?CompanyId=120&CompanyName=PolyMedica+Corporation) Its stock price has risen in anticipation of a better-than-expected pre-election settlement of its over 5-year-long criminal investigation.

The Bush Administration controls PolyMedica's criminal prosecution. There are members of the Bush Administration who have an interest in advocating leniency towards PolyMedica. These efforts are opposed by officers of the FBI and Medicare's Inspector General who actually conducted the PolyMedica investigation. Should Bush lose those individuals that advocate leniency will also lose their influence over Medicare's prosecution system.

Despite an August 2001 FBI raid with 85 agents, the expense of one of the largest criminal Medicare investigations in history, charges of obstructions of justice, and the incriminating resignation of PolyMedica's entire top management the Bush Administration has failed to initiate litigation against PolyMedica. Any pre-litigation settlement of less than \$400 million or without material changes to PolyMedica's Medicare practices would be unfair and questionable in view of the publicly-known facts.

PolyMedica's thus-far successful defense has been the result of advocating its interest to high-level Bush Administration appointees in the Department of Justice and Department of Health and Human Services. This large investment by PolyMedica is at risk in the event that Bush loses the election.

PolyMedica is the only company to have ever received an Asensio & Company "Strong Sell" and "Short Sell" rating whose outcome is entirely a function of a political process.

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