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*DOJ falls prey to PLMD's largeness.*

Exactly as we reported 13 days ago PolyMedica Corporation (NASDAQ: PLMD, \$35), one of the nation's largest and most flagrant examples of Medicare abuse, announced an agreement to pay \$35 million to the U.S. government as part of a tentative settlement of its five-year-old criminal Medicare fraud investigation. The pending settlement included the Washington component of the Department of Justice ("DOJ"). However, PolyMedica was unable to announce a settlement of the Miami U.S. Attorney's criminal action that includes charges of obstruction of justice. PolyMedica stated that it "anticipated" that no criminal charges would be brought.

The settlement, if consummated as announced, will mark another low for the DOJ's willingness to prosecute cases against well-funded Medicare abuses. Contrary to its publicity, PolyMedica provides no medical service or other indispensable service. PolyMedica spends heavily on TV ads that generate calls from the elderly that it uses to sell them blood sugar testing devices at extremely high U.S. taxpayers funded gross margins.

Medicare is unable to bring actions against its participants. Medicare relies on the DOJ to defend the integrity of its programs. Medicare did all it could to defend itself from PolyMedica. The DOJ simply failed to perform its duty. The settlement does not in any way vindicate this highly questionable company.

The announcement was made late in the day and only after delaying a scheduled earnings conference call. The timing may have been planned on the day after the election to avoid press coverage.

We await disclosure of the final documentation and a final announcement concerning the criminal charges.

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