

## **Six-year-old lawsuit against Grady, Emory unsealed \$1.6 million was paid to whistleblower alleging fraud**

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A Fulton County judge on Friday unsealed a controversial case in which a physician accused Emory University and Grady Health System of defrauding the federal government of millions of dollars.

Though the case was settled about six years ago, the lawsuit by former Emory doctor James Murtagh recently created concern among state lawmakers as they consider increased funding for Grady hospital.

Several lawmakers went to court this week to unseal the case, concerned that they could not review the doctor's accusations regarding the misuse of public funds.

Superior Court Judge Wendy Shoob unsealed the case after all the parties agreed to open the file.

Murtagh's 2000 lawsuit contended that Grady and Emory conspired to defraud the U.S. government of millions of dollars through an improper use of federal funds in compensating Emory and Grady employees. Grady is a teaching hospital where most Emory medical students are trained.

During the hearing on unsealing the case Friday, Emory and Grady attorneys denied that the facilities had done anything wrong. While the entire case file was not available Friday, comments during the hearing and some Emory court papers shed some light on the case.

The two facilities entered into a settlement in 2001 that paid Murtagh and his attorneys about \$1.6 million over 10 years. He has received about \$550,000 so far. Emory paid the lion's share of the settlement with Grady contributing about \$100,000. Murtagh made the request to seal the case.

After the hearing, Sen. David Shafer (R-Duluth), who has fought to unseal the case, questioned why the facilities, if they denied the allegations, settled with the doctor.

He added, "I am surprised by the amount of the payment to the whistleblower."

Emory officials said they were spending a great deal of money defending against Murtagh's lawsuits and complaints. The agreement called for his resignation, and the settlement allowed the facilities to buy out his tenured faculty position and ensure "he never practiced medicine" at Grady or Emory again.

The agreement also bound the parties to not publicly disparage one another, as Emory officials asserted that Murtagh was on a campaign to defame the facilities.

Also in the court papers, Emory officials denied Murtagh's assertion that Emory was retaliating against him for being a whistle blower who went public with his assertions. Murtagh declined to comment after the hearing.

Emory spokesman Ron Sauder said, "Emory supported the unsealing of these records and we are happy for fair, independent observers to see them and draw their own conclusions."