

FTC Actions Force LabMD To Wind Down Operations

Chris Ryan January 29, 2014



The Devil Inside The Beltway

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(Newswire.net -- January 29, 2014) Atlanta, GA --

Citing the debilitating effects of the Federal Trade Commission's (FTC) investigative practices and litigation, President and CEO Michael J. Daugherty announces that he has been forced to wind down operations at his Atlanta, GA, medical facility, LabMD.

The effects of this action will be felt throughout the medical community, from LabMD's employees to the physicians and their patients who utilize the facility. Daugherty laments that LabMD will be hampered in its mission to offer the excellent medical care and reliable diagnoses it has provided to its clients for almost 20 years.

LabMD's wind down is largely due to the FTC's abuse of power. Following a four year investigation of LabMD, the FTC filed an administrative suit alleging LabMD's patient information data security was an "unfair" trade practice. Absent any established or uniform data security standards; absent Congressional approval to regulate data security practices; absent a consumer victim from any alleged LabMD security breach; all without alleging that LabMD violated HIPAA privacy regulations, the FTC has spent untold taxpayer dollars investigating LabMD, destroying jobs and usurping power over patient information from the U.S. Department of Health and Human Services. That is why on November 15, 2013, Cause of Action, a government accountability group, sued the FTC on behalf of LabMD in an effort to put an end to the agency's arbitrary and egregious use of authority in the administrative suit.

Government Health IT has stated that this is "...a dispute that could shape the future of health privacy regulation."

Opening in 1996, LabMD specializes in analysis and diagnosis of blood, urine, and tissue specimens for cancers, micro-organisms and tumor markers. As part of the wind down, LabMD has stopped accepting new specimens for analysis; however, it will continue to meet the needs of its current clients.

Mr. Daugherty wishes to thank LabMD's employees for their steadfast loyalty and for providing excellent professional service to over 750,000 patients, always keeping the lab's important work at the forefront, even under the duress of the past four years of the FTC's intrusive and damaging practices.

Michael J. Daugherty is President and CEO of LabMD and author of *The Devil Inside the Beltway: The Shocking Exposé of the U.S. Government's Surveillance and Overreach into Cybersecurity, Medicine and Small Business*.

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Source: <http://www.newswire.net/newsroom/pr/00079899-ftc-actions-force-lab-md-to-wind-down-operations.html>