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Medicare Fraud Strike Force Charges 94 Doctors, Health Care Company Owners, Executives and Others for More Than \$251 Million in Alleged False Billing

WASHINGTON – Ninety-four people have been charged for their alleged participation in schemes to collectively submit more than \$251 million in false claims to the Medicare program in the continuing operation of the Medicare Fraud Strike Force in Miami; Baton Rouge, La.; Brooklyn, N.Y.; Detroit and Houston, announced Attorney General Eric Holder, Department of Health and Human Services (HHS) Secretary Kathleen Sebelius, FBI Director Robert Mueller and Daniel R. Levinson, Inspector General of HHS. The operation announced today is the largest federal health care fraud takedown since Medicare Fraud Strike Force operations began in 2007.

The joint DOJ-HHS Medicare Fraud Strike Force is a multi-agency team of federal, state and local investigators designed to combat Medicare fraud through the use of Medicare data analysis techniques and an increased focus on community policing. More than 360 law enforcement agents from the FBI, HHS-Office of Inspector General (HHS-OIG), multiple Medicaid Fraud Control Units, and other state and local law enforcement agencies participated in today's operation.

"Our continued Strike Force operations reflect the unprecedented commitment that inspired the creation of the Health Care Fraud Prevention and Enforcement Action Team in May 2009," said Attorney General Holder. "With today's arrests, we're putting would-be criminals on notice: Health care fraud is no longer a safe bet. The federal government is working aggressively – and collaboratively – to pursue health care criminals around the country and to bring these offenders to justice."

"Today's arrests send a strong message that attempts to defraud Medicare will not be tolerated," said Secretary Sebelius. "With the help of new tools in the Affordable Care Act, including stiffer penalties and better information sharing, we will continue to work with our federal, state and local partners to stamp out Medicare fraud and protect beneficiaries and the American taxpayer."

Charges were unsealed today against 94 individuals who are accused of various Medicare fraud-related offenses, including conspiracy to defraud the Medicare program, criminal false claims, violations of the anti-kickback statutes and money laundering. The charges are based on a variety of fraud schemes, including physical therapy and occupational therapy schemes, home health care schemes, HIV infusion fraud schemes and durable medical equipment (DME) schemes. Thirty-six defendants charged in these schemes have been arrested in Miami, New York, Baton Rouge and Detroit and additional arrests are expected throughout the day.

According to the court documents, the defendants charged today participated in schemes to submit claims to Medicare for treatments that were medically unnecessary and oftentimes, never provided. In many cases, indictments and complaints allege that beneficiaries accepted cash kickbacks in return for allowing providers to submit forms saying they had received the treatments that, in reality, were unnecessary or never provided. Collectively, the doctors, health care company owners, executives and others charged in the indictments and complaints are accused of conspiring to submit more than \$251 million in false claims to the Medicare program.

In Miami, 24 defendants were charged for allegedly participating in various fraud schemes that led to approximately \$103 million in false billings. According to court documents, the fraud schemes involved fraudulent billing for HIV infusion services, home health care and physical therapy services, DME and pharmaceutical medications. The defendants include owners and operators of companies, doctors, nurses, and patient recruiters, as well as a medical biller who is alleged to have billed approximately \$49 million for fraudulent services.

Thirty-one defendants were charged in Baton Rouge for various schemes allegedly involving fraudulent claims for DME totaling approximately \$32 million. The defendants include the owners and operators of nine different purported medical services companies and four doctors, 14 patient recruiters and other individuals who allegedly worked at the medical services companies.

Twenty-two defendants were charged in Brooklyn for their alleged participation in schemes to submit fraudulent claims totaling approximately \$78 million. These fraud schemes involved false billing for physical and occupational therapy and DME. The defendants include the owners and operators, patient recruiters and employees at three different purported medical clinics and a medical equipment company, as well as three doctors. According to court documents, six of the defendants charged are serial Medicare beneficiaries, who purported to seek medical treatment from numerous providers, causing the submission of multiple claims to Medicare for purported medical treatments.

In Detroit, 11 defendants were charged for their alleged roles in schemes to submit fraudulent claims to Medicare for home health services, nerve conduction tests and injection and infusion therapy sessions. The schemes involved a total alleged fraud of approximately \$35 million and five different purported medical services companies.

Four defendants were also charged in Houston for their alleged roles in a \$3 million scheme to submit fraudulent claims for DME.

In addition to making arrests around the country, law enforcement agents are executing search warrants in connection with ongoing health care fraud investigations.

"Today's charges allege attempts by individuals to defraud the Medicare program of \$251 million," said FBI Director Robert S. Mueller, III. "Countless Americans rely on Medicare for their well-being, and the FBI, working in conjunction with our federal agency partners, is resolute in its commitment to stop those who would illegally manipulate the system."

"Today's arrests illustrate how health care fraud schemes can replicate virally and migrate rapidly across communities," said Daniel R. Levinson, Inspector General of

HHS. "To combat this fraud, the government's response must also be swift, agile, and organized – a HEAT initiative goal which is well illustrated by today's Strike Force actions."

The Strike Force operations in Miami, Baton Rouge, Brooklyn, Detroit and Houston are part of the Health Care Fraud Prevention & Enforcement Action Team (HEAT), a joint initiative announced in May 2009 between the Department of Justice and HHS to focus their efforts to prevent and deter fraud and enforce current anti-fraud laws around the country. The HEAT task force, co-chaired by Acting Deputy Attorney General Gary G. Grindler and Deputy Secretary Bill Corr, is made up of top-level law enforcement agents, prosecutors and staff from both departments and their operating divisions. In the May 2009 announcement, Attorney General Holder and Secretary Sebelius announced the expansion of the Strike Force into Detroit and Houston to build upon existing partnerships between the agencies in a heightened effort to reduce fraud and recover taxpayer dollars. In December 2009, Strike Force operations were expanded to Brooklyn, Baton Rouge and Tampa.

Since its inception in March 2007 with Phase One in South Florida and continuing through its most recent expansion into Tampa, Fla., the Strike Force has obtained indictments of more than 810 individuals and organizations that collectively have billed the Medicare program for more than \$1.85 billion. In addition, HHS's Centers for Medicare and Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

The cases announced today are being prosecuted and investigated by Strike Force teams comprised of attorneys from the Fraud Section in the Justice Department's Criminal Division and from the U.S. Attorneys' Offices for the Southern District of Florida, the Eastern District of New York, the Middle District of Louisiana, the Eastern District of Michigan and the Southern District of Texas; and agents from the FBI and HHS-OIG.

The Railroad Retirement Board Office of Inspector General and the Office of Personnel Management-Office of Inspector General also participated in today's operation.

An indictment is merely an allegation, and defendants are presumed innocent until and unless proven guilty.

To learn more about the HEAT team, go to: www.stopmedicarefraud.gov.

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Attorney General