



OIG What's New – May 2015 Highlights:

To view the documents below in detail, **CLICK on the text.**

NEW DOCUMENTS AND TESTIMONY:

- ❖ Fiscal Year 2015 HHS OIG Work Plan Mid-Year Update
- ❖ Daniel R. Levinson's Keynote Address at the 2015 HCCA Compliance Institute Podcast | Video
- ❖ VIDEO: Podiatrist Admits to Defrauding Almost \$1 Million from Medicare
- ❖ Podcast: April 2015 OIG Monthly Update
- ❖ New Video:\$200 Million Fraud Scheme Involving Corrupt Doctors and Kickbacks

NEW REVIEWS & AUDITS:

MEDICARE & MEDICAID SERVICES

MEDICARE PART A AND PART B

Hospitals

- ❖ Cox Medical Center Incorrectly Billed Medicare Inpatient Claims With Kwashiorkor (A-03-15-00004)
- ❖ Medicare Compliance Review of Saint Luke's Hospital of Kansas City for 2011 and 2012 (A-07-14-05062)
- ❖ Medicare Compliance Review of Saint Anthony's Medical Center for 2011 and 2012 (A-07-14-05059)

Home Health Services

- ❖ Home Health Agencies Conducted Background Checks of Varying Types (OEI-07-14-00130)

Other Providers and Suppliers

- ❖ First Coast Service Options, Inc., Paid Some Unallowable Sleep Study Claims (A-04-13-07039)

Part A and Part B Contractor

- ❖ National Government Services, Inc., Did Not Claim Some Allowable Medicare Pension Costs for Fiscal Years 2007 Through 2009 (A-07-14-00452)
- ❖ CGS Administrators, LLC, Overpaid Providers That Incorrectly Billed for Aflibercept (A-06-14-00053)
- ❖ Incorrect Place-of-Service Coding Resulted in Potential Medicare Overpayments Costing Millions (A-01-13-00506)



MEDICAID

Medicaid Prescription Drug reviews

- ❖ Texas Claimed Unallowable Federal Reimbursement for Some Medicaid Physician-Administered Drugs (A-06-12-00060)

Home Health Services and Other Community- Based Care

- ❖ CMS's Reliance on New York Qualification Requirements Could Not Ensure the Quality of Care Provided to Medicaid Beneficiaries Receiving Home Health Services (A-02-11-01013)
- ❖ South Carolina Claimed Some Unallowable Room-and-Board Costs Under the Intellectual and Related Disabilities Waiver for State Fiscal Year 2010 (A-04-14-04019)

Other Medicaid Services, Equipment, and Supplies

- ❖ Questionable Billing for Medicaid Pediatric Dental Services in California (OEI-02-14-00480)

State Management of Medicaid

- ❖ New Jersey Claimed Medicaid Hospice Services That Were Not in Compliance With Federal and State Requirements (A-02-11-01014)
- ❖ Cedar Ridge Did Not Always Provide the Required Treatment and Therapy Hours for Residential Treatment and Acute Care (A-06-14-00029)
- ❖ Ohio State Medicaid Fraud Control Unit: 2014 Onsite Review (OEI-07-14-00290)

PUBLIC HEALTH REVIEWS

Food and Drug Administration

- ❖ FDA Has Made Progress on Oversight and Inspections of Manufacturers of Generic Drugs (OEI-01-13-00600)

Health Resources and Services Administration

- ❖ East Harlem Council for Human Services, Inc., Complied With Federal Requirements Related to Its Affordable Care Act-Funded Community Health Center Fund Grant (A-02-14-02021)
- ❖ Information Security at the Health Resources and Services Administration Needs Improvement Because Controls Were Not Fully Implemented and Monitored (A-18-14-30430)

Indian Health Services

- ❖ Arizona Correctly Claimed Medicaid expenditures for Indian Health Service Facilities on the CMS-64 (A-05-15-00015)

Other Public-Health Related Reviews

- ❖ Medical Reserve Corps Volunteers in New York and New Jersey During Superstorm Sandy (OEI-04-13-00350)



OTHER HHS-RELATED REVIEWS

Financial Reviews

- ❖ University of California, San Diego, Did Not Always Claim Nonpayroll Administrative and Clerical Costs Charged Directly to HHS Awards in Accordance with Federal Regulations (A-09-13-01003)
- ❖ The Information Technology Infrastructure and Operations Office Had Inadequate Information Security Controls (A-18-14-30420)

AFFORDABLE CARE ACT REVIEWS

- ❖ California Implemented Security Controls Over the Web Site and Databases for Its Health Insurance Exchange but Could Improve Protection of Personally Identifiable Information (A-09-14-03005)
- ❖ Chase Brexton Health Care Complied With the Requirements of a Community Health Center Grant Funded Under the Affordable Care Act (A-03-14-03303)

CIVIL MONETARY PENALTIES AND AFFIRMATIVE EXCLUSIONS - Update

Confidentiality of Data Bank Information - No Update
Drug Price Reporting – No Update
False and Fraudulent Claims- No Update
Kickback and Physician Self-Referral- No Update
Managed Care – No Update
Patient Dumping- No Update

CORPORATE INTEGRITY AGREEMENTS - UPDATE:

- ❖ 1 New CIA and aliases Added to Corporate Integrity Agreement List
- ❖ 2 New CIAs Added to Corporate Integrity Agreement List
- ❖ Century Ambulance Service, Inc. Added to Corporate Integrity Agreement List
- ❖ 1 New CIA Added to Corporate Integrity Agreement List
- ❖ PharMerica Corporation added to Corporate Integrity Agreements List
- ❖ LEIE Database Updated with April 2015 Exclusions and Reinstatements
- ❖ Balboa Ambulance Services, Inc. Added to Corporate Integrity Agreement List
- ❖ 2 New CIAs Added to Corporate Integrity Agreement List



CRIMINAL AND CIVIL ENFORCEMENT

May 28, 2015; U.S. Attorney; District of New Jersey

Garden State Cardiovascular Specialists P.C. Agrees To Pay \$3.6 Million For Allegedly Submitting False Claims To Federal Health Care Programs

NEWARK, N.J. - Garden State Cardiovascular Specialists P.C. (Garden State), a cardiology practice which owns and operates several facilities in New Jersey under the name NJ MedCare/NJ Heart, has agreed to pay more than \$3.6 million to resolve allegations that its facilities falsely billed federal health care programs for tests that were not medically necessary, U.S. Attorney Paul J. Fishman announced today.

May 28, 2015; U.S. Attorney; Central District of California

Valley Duo that Bilked Medicare by Billing Nearly \$2 Million for Unneeded Power Wheelchairs Found Guilty of Federal Fraud Charges

LOS ANGELES - A Los Angeles-area woman and man who were responsible for more than \$1.8 million in fraudulent Medicare billings - almost entirely for medically unnecessary power wheelchairs - have been found guilty of health care fraud.

May 28, 2015; U.S. Attorney; District of Maryland

Pain Clinic Owners, Distributors and Runners Indicted for Allegedly Conspiring to Operate "Pill Mills" Baltimore, Maryland - A federal grand jury has returned three indictments charging a total of 16 individuals with drug conspiracy and other charges for operating purported pain management clinics that the indictments allege were actually "pill mills." The indictments were returned on May 20, 2015, and unsealed late yesterday upon the arrest of eight defendants. In addition to yesterday's arrests, agents executed search warrants at 14 locations, including clinics, pharmacies and residences.

May 27, 2015; U.S. Department of Justice

Durable Medical Equipment Suppliers to Pay \$7.5 Million to Resolve False Claims Act Allegations Orbit Medical Inc. and Rehab Medical Inc. will pay \$7.5 million to resolve allegations that Orbit submitted false claims to federal health care programs for power wheelchairs and accessories, the Justice Department announced today. Orbit Medical and Rehab Medical, a partial successor of Orbit, are durable medical equipment suppliers based in Salt Lake City, Utah and Indianapolis, Indiana, respectively.

May 27, 2015; U.S. Attorney; Northern District of Illinois

Chicago Area Psychologist Pleads In Nationwide Medicare Fraud Strike Force Takedown

CHICAGO - An area psychologist pled guilty today to engaging in a health care fraud scheme to defraud the Medicare program, federal law enforcement officials announced today. SHARON A. RINALDI, a licensed psychologist, was charged in a five-count indictment returned in October 2012 with defrauding Medicare by submitting thousands of false claims for providing psychotherapy services to Medicare beneficiaries residing in skilled nursing homes in the Chicago area. Rinaldi submitted false claims to Medicare seeking a total reimbursement of approximately \$1.1 million and as a result of those false claims, Medicare paid Rinaldi at least \$447,155 in funds to which she was not entitled. Rinaldi, 60, of Inverness, pled to one count of health care fraud before U.S. District Court Judge Robert M. Dow. Rinaldi also has agreed to forfeit of more than \$100,000 that was seized from her home and a personal bank account in September 2012.

May 27, 2015; U.S. Attorney; District of Idaho

California Supplier of Oxycodone and Boise Heroin and Oxycodone Dealer Sentenced in Federal Court BOISE - Ajellon Dedeaux, 27, of Rancho Cordova, California, was sentenced yesterday to 144 months in federal prison for distributing tens of thousands of oxycodone pills to Boise in a large scale drug trafficking conspiracy, U.S. Attorney Wendy J. Olson announced. U.S. District Judge Edward J. Lodge also ordered Dedeaux to pay a \$1000 fine, serve five years of supervised release, and to forfeit \$1,750,000 in drug proceeds.



May 27, 2015; U.S. Attorney; Middle District of Pennsylvania

Hamilton Health Center Agrees To Settlement Of Federal Civil Matter

HARRISBURG - The United States Attorney's Office for the Middle District of Pennsylvania announced that Hamilton Health Center, Inc., a federally qualified health center in Harrisburg, Pennsylvania, has agreed to pay the United States \$270,000 to settle False Claims Act allegations. The settlement results from a self-disclosure by Hamilton to the Office of Inspector General of the U.S. Department of Health and Human Services (OIG) through the OIG's Provider Self-Disclosure Protocol.

May 27, 2015; U.S. Department of Justice

Owner of Los Angeles Medical Supply Company Sentenced to Seven Years in Prison for \$3.3 Million Medicare Fraud Scheme

The former owner of a Los Angeles-based medical supply company was sentenced today to seven years in prison for his role in a fraud scheme that resulted in \$3.3 million in fraudulent claims to Medicare.

May 26, 2015; U.S. Attorney; Northern District of Illinois

Lockport Pharmacist Indicted For Allegedly Falsely Billing \$2.4 Million For Prescription Claims

CHICAGO - A southwest suburban pharmacist was indicted on federal charges for health care fraud, federal law enforcement officials announced today. The defendant, WALTER BEICH, the owner and licensed pharmacist at Lockport Pharmacy, Inc. operating as Corwin Pharmacy, was charged in a twelve-count indictment returned by a federal grand jury last week, alleging he participated in a scheme to defraud various health care benefit programs in the amount of \$2,400,000. The indictment also charges Beich with aggravated identity theft for his use of patient and physician names and identifying information during his scheme. The indictment also seeks forfeiture in the amount of \$2.4 million, the amount of the alleged loss to the health care providers. Beich, 61, of Lockport, Illinois, was arraigned in federal court this morning and was released on a \$4,500 unsecured bond and is scheduled for a status in front of U.S. District Court Judge John W. Darrah on June 26, 2015.

May 22, 2015; U.S. Attorney; Northern District of New York

Central New York Doctor Sentenced To 18 Months Imprisonment

SYRACUSE, NEW YORK - United States Attorney Richard S. Hartunian announced the sentencing today of Mahesh Kuthuru, age 43, a physician of a Utica and Fulton area pain management practice.

May 22, 2015; U.S. Department of Justice

Detroit-Area Neurosurgeon Admits Causing Serious Bodily Injury to Patients in \$11 Million Health Care Fraud Scheme

A Detroit-area neurosurgeon pleaded guilty today in two separate criminal cases that resulted in serious bodily injury to his patients and more than \$11 million in Medicare, Medicaid and private insurance companies.

May 21, 2015; U.S. Department of Justice

Assistant Administrator of Riverside General Hospital Sentenced to 40 Years in Prison for \$116 Million Medicare Fraud Scheme

The former assistant administrator of Riverside General Hospital was sentenced today to 40 years in prison for his role in a \$116 million Medicare fraud scheme. To date, 10 individuals have pleaded guilty or been convicted for their involvement in the scheme.



May 21, 2015; U.S. Attorney; Northern District of California

Watsonville Nursing Home Owners, Operators And Manager Agree To Pay \$3.8 Million To Settle Allegations Of False Claims

SAN FRANCISCO - The owners, operators, and manager of two nursing homes in Watsonville, Calif., have agreed to pay \$3.8 million to settle allegations that they submitted false claims to the United States, announced United States Attorney Melinda Haag, U.S. Department of Health and Human Services OIG (HHS-OIG) Special Agent in Charge Ivan Negroni, and Federal Bureau of Investigation Special Agent in Charge David J. Johnson.

May 21, 2015; U.S. Attorney; District of New Jersey

Owner Of Parsippany-Based Diagnostic Testing Facility

NEWARK, N.J. - A Morris County, New Jersey, man was sentenced today to 12 months in prison for his role in a scheme to bill for diagnostic testing services he did not render and to enable a cardiologist to evade the Medicare program's pre-payment review of his claims, U.S. Attorney Paul J. Fishman announced.

May 20, 2015; U.S. Department of Justice

Physician Pleads Guilty For Role in Detroit-Area Medicare Fraud Scheme

A licensed physician and former owner of a Detroit-area medical practice pleaded guilty today for his role in a \$4.2 million health care fraud scheme.

May 20, 2015; U.S. Department of Justice

Medco to Pay \$7.9 Million to Resolve Kickback Allegations

Medco Health Solutions Inc., a wholly-owned subsidiary of the pharmacy benefit manager Express Scripts Holding Company, of Missouri, has agreed to pay the government \$7.9 million to settle allegations that it engaged in a kickback scheme in violation of the False Claims Act, the Justice Department announced today. Medco provides pharmacy benefit management services to clients who receive subsidies under the Medicare Retiree Drug Subsidy program.

May 20, 2015; U.S. Department of Justice

Government Settles False Claims Act Allegations against Florida Neurologist for \$150,000

Dr. Sean Orr of Jacksonville, Florida, has agreed to pay \$150,000 to settle allegations that he violated the False Claims Act by providing medically unnecessary services and drugs to federal health care program beneficiaries, the Department of Justice announced today. Dr. Orr is a neurologist formerly employed by Baptist Neurology Inc. and Baptist Medical Center-Jacksonville.

May 19, 2015; U.S. Attorney; District of Maryland

Pharmacy Owner Sentenced for Conspiracy to Distribute Contraband Cigarettes, Health Care Fraud, and Receiving and Distributing Misbranded Drugs

Baltimore, Maryland - U.S. District Judge William D. Quarles, Jr. sentenced the owner of Health Way Pharmacy, Salim Yusuf, age 43, of Reisterstown, Maryland, today to 12 months home confinement as part of four years' probation, for a conspiracy to traffic over \$6.6 million in contraband cigarettes, health care fraud, and receipt and delivery of misbranded drugs. Judge Quarles also ordered Yusuf to forfeit \$200,000.

May 19, 2015; U.S. Attorney; District of Idaho

Twin Falls Former Pharmacy Technician Sentenced for Diverting Controlled Substances

BOISE - Krista Federer, 46, of Twin Falls, Idaho, was sentenced today to 12 months and one day in prison for distributing a controlled substance, U.S. Attorney Wendy J. Olson announced. U.S. District Judge Edward J. Lodge also ordered Federer to serve three years of supervised release, and to pay a \$1,000 fine.



May 18, 2015; U.S. Department of Justice

Administrator and Biller of Illinois Physician Group Convicted in \$4.5 Million Medicare Fraud Scheme
A federal jury in Chicago on May 15, 2015, convicted the administrator and biller of a Schaumburg, Illinois, in-home visiting physician group for their participation in a \$4.5 million health care fraud scheme that included billing Medicare for services rendered to patients who were dead and services rendered by medical professionals who worked over 24 hours in a day.

May 15, 2015; U.S. Attorney; Southern District of Illinois

Marion Woman Sentenced For Healthcare Fraud
Stephen R. Wigginton, United States Attorney for the Southern District of Illinois, announced today, that Charlietta M. Lee, 51, of Marion, Illinois, was sentenced for engaging in a scheme to commit health care fraud by defrauding the Home Services Program, which is a Medicaid Waiver Program designed to allow individuals to stay in their homes instead of entering a nursing home.

May 15, 2015; U.S. Attorney; District of New Jersey

New Jersey Doctor Sentenced To 14 Months In Prison For Taking Bribes In Test-Referrals Scheme Involving New Jersey Clinical Lab
NEWARK, N.J. - A doctor with a medical practice in Montclair, New Jersey, was sentenced today to 14 months in prison for accepting bribes in exchange for test referrals as part of a long-running and elaborate scheme operated by Biodiagnostic Laboratory Services LLC (BLS), of Parsippany, New Jersey, its president and numerous associates, U.S. Attorney Paul J. Fishman announced.

May 14, 2015; U.S. Department of Justice

Long-Term Care Pharmacy to Pay \$31.5 Million to Settle Lawsuit Alleging Violations of Controlled Substances Act and False Claims Act
PharMerica Corporation has agreed to pay the United States \$31.5 million to resolve a lawsuit alleging that they violated the Controlled Substances Act by dispensing Schedule II controlled drugs without a valid prescription and violated the False Claims Act by submitting false claims to Medicare for these improperly dispensed drugs, the Justice Department announced today.

May 14, 2015; U.S. Department of Justice

New Orleans Jury Convicts Two Doctors, a Nurse and an Office Manager for Roles in \$50 Million Fraud Scheme
A jury in New Orleans convicted four employees of medical service clinics yesterday for their roles in a \$50 million Medicare fraud scheme.

May 14, 2015; U.S. Attorney; District of Connecticut

Ambulance Companies Pay \$595,000 to Settle Allegations of Medically Unnecessary Ambulance Transportation
Deirdre M. Daly, United States Attorney for the District of Connecticut, announced that EFK OF CONNECTICUT, INC., d/b/a NELSON AMBULANCE SERVICE, located in North Haven, and SKMP ENTERPRISES, INC., d/b/a ACCESS AMBULANCE SERVICE, located in Bridgeport, have entered into a civil settlement agreement with the government in which they will pay \$595,000 to resolve allegations that they improperly billed the Medicare and Medicaid programs.



May 14, 2015; U.S. Attorney; Southern District of New York

Manhattan U.S. Attorney Settles Civil Fraud Claims Against Westchester Medical Center Arising From Its Violations Of The Anti-Kickback Statute And The Stark Law

Preet Bharara, the United States Attorney for the Southern District of New York, Scott J. Lampert, Special Agent in Charge of the U.S. Department of Health and Human Services, Office of Inspector General's ("HHS-OIG") New York Region, and Diego Rodriguez, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced today that the United States has settled civil fraud claims under the False Claims Act against WESTCHESTER COUNTY HEALTH CARE CORPORATION d/b/a WESTCHESTER MEDICAL CENTER ("WMC") related to WMC's alleged violations of the Anti-Kickback Statute and the Stark Law and submission of costs reports to Medicare seeking reimbursement for charges WMC did not incur. In connection with the settlement, which was approved by U.S. District Judge Lewis A. Kaplan on May 14, 2015, the defendant agreed to pay a total of \$18,800,000 to resolve its liabilities, and made admissions as to its conduct.

May 14, 2015; U.S. Attorney; Western District of Pennsylvania

Pennsylvania Physician Sentenced to Prison for False Tax Returns, Healthcare Fraud

JOHNSTOWN, Pa. - A resident of the Dominican Republic, has been sentenced in federal court to one year and one day in prison and ordered to pay restitution of \$121,000 to Highmark Blue Cross/Blue Shield on his conviction of filing false individual and corporate tax returns and health care fraud, United States Attorney David J. Hickton announced today.

May 13, 2015; U.S. Department of Justice

Southern California Medical Supply Company Owner Sentenced to Four Years in Prison for \$8.3 Million Medicare Fraud Scheme

A registered nurse who owned a medical supply company was sentenced today in Los Angeles to four years in federal prison for her role in an \$8.3 million Medicare fraud scheme.

May 12, 2015; U.S. Department of Justice

Owner of Miami Home Health Care Company Sentenced to 10 Years in Prison for Lead Role in \$13 Million Medicare Fraud Scheme

An owner of a Miami home health care company was sentenced today to 10 years in prison for his leading role in a \$13 million Medicare fraud scheme that involved paying kickbacks and bribes to patient recruiters, Medicare beneficiaries and others in South Florida doctors' offices and medical clinics.

May 12, 2015; Northern District of California

United States Joins Lawsuit Against Bay Area Sleep Clinics

SAN JOSE - The United States has joined a whistleblower action pending in the Northern District of California against the owners and operators of Bay Sleep Clinic and their related businesses, Qualium Corporation and Amerimed Corporation, announced United States Attorney Melinda Haag and U.S. Department of Health and Human Services Special Agent in Charge, Ivan Negroni.

May 12, 2015; Western District of Louisiana

Shreveport woman sentenced to 27 months in prison for health care fraud, wire fraud

SHREVEPORT, La. - United States Attorney Stephanie A. Finley announced that the owner and operator of a Shreveport intensive outpatient program company was sentenced Monday to 27 months in prison for charging Medicare for services never rendered.



May 11, 2015; U.S. Attorney; Eastern District of Pennsylvania

United States Sues Supply Company And Delaware County Couple For Healthcare Fraud
PHILADELPHIA - The United States filed a civil healthcare fraud lawsuit today against John M. Hastings and Sarah Cintron Hastings, of Drexel Hill, Pennsylvania, and their medical supply company, Diabetic Care Solutions, Inc. The complaint, announced by United States Attorney Zane David Memeger, alleges that the couple operated the company in an attempt to bypass Hastings' exclusion from the Medicare program.

May 8, 2015; U.S. Department of Justice

Dallas Physician and His Employee Arrested for Alleged \$5.2 Million Medicare Fraud Scheme
A physician who ran a medical house call service business in Dallas, and an employee of that business were arrested this morning on charges related to their alleged participation in a \$5.2 million health care fraud scheme.

May 8, 2015; Middle District of Florida

United States Settles False Claims Act Allegations Against Multiple Jacksonville Hospitals And An Ambulance Company For \$7.5 Million
Jacksonville, FL - United States Attorney A. Lee Bentley, III announces that the United States has settled allegations that nine hospitals in Jacksonville had a practice of routinely ordering basic life support ambulances when this type of transport was not medically necessary. The United States has also settled allegations with an ambulance company for its role in submitting millions of dollars of false claims to federal healthcare programs. The allegations resolved included liability under the False Claims Act (FCA).

May 7, 2015; U.S. Department of Justice

Sixteen Hospitals to Pay \$15.69 Million to Resolve False Claims Act Allegations Involving Medically Unnecessary Psychotherapy Services
The Justice Department announced today that 16 separate hospitals and their respective corporate parents have agreed to collectively pay \$15.69 million to resolve False Claims Act allegations that the providers sought and received reimbursement from Medicare for services that were not medically reasonable or necessary, the U.S. Department of Justice announced today.

May 7, 2015; U.S. Attorney; Eastern District of Pennsylvania

Medicare Beneficiary Pleads Guilty In Ambulance Fraud Scheme
PHILADELPHIA - Keisha Regusters, 38, of Philadelphia, PA, pleaded guilty today to a fraud scheme involving kickbacks from an ambulance company. U.S. District Court Judge William H. Yohn, Jr. scheduled a sentencing hearing for August 11, 2015. Regusters faces a possible advisory sentencing guideline range of six to 12 months in prison, up to three years of supervised release, restitution, a fine of up to \$500,000, and a \$200 special assessment.

May 6, 2015; U.S. Department of Justice

Houston Doctor and Group Home Owner Indicted for Alleged Roles in \$5.2 Million Medicare Fraud Scheme
A Houston doctor and a group home owner were arrested on charges related to their alleged participation in a \$5.2 million Medicare fraud scheme involving false claims for mental health treatment.

May 6, 2015; U.S. Attorney; District of Connecticut

State Fraud Enforcement Official Arrested, Charged with Wire Fraud
Deirdre M. Daly, United States Attorney for the District of Connecticut, announced that LYNWOOD PATRICK, JR., 39, of East Hartford, was arrested today on a federal criminal complaint charging him with wire fraud in connection with his submission of a fraudulent application for a personal mortgage modification.



May 6, 2015; U.S. Attorney; Eastern District of North Carolina

Pharmacy Company Agreed To Pay \$5 Million To Settle Claims That It Gave Gift Cards And Waived Copayments For Medicare And Medicaid Patients In Violation Of The Anti-Kickback Statute
RALEIGH - United States Attorney Thomas G. Walker announced that Physician Pharmacy Alliance, Inc., ("PPA"), agreed to pay \$5 Million to settle claims that, under prior ownership, PPA gave improper gift cards in order to induce referrals or enrollments of Medicare and Medicaid patients, and routinely waived copayments of Medicare and Medicaid patients, in violation of the Anti-kickback statute.

May 6, 2015; U.S. Attorney; Southern District of New York

Manhattan U.S. Attorney Settles Civil Fraud Claims Against Vascular Surgery Clinic And Surgeon For Fraudulently Billing Medicare For Nonreimbursable Vascular Surgery Procedures
Preet Bharara, the United States Attorney for the Southern District of New York, and Scott Lampert, Special Agent in Charge of the U.S. Department of Health and Human Services, Office of Inspector General's ("HHS-OIG") New York Region, announced today that the United States has settled civil fraud claims under the False Claims Act against MATTOO & BHAT MEDICAL ASSOCIATES, P.C. ("MBPC") and DR. FENG QIN ("DR. QIN") related to MBPC's submission of fraudulent claims for reimbursement by Medicare for vascular surgical procedures that are not covered under Medicare. In connection with the settlement, which was approved by U.S. District Judge Louis L. Stanton on May 1, 2015, the defendants agreed to pay a total of \$1,150,000 to resolve their liabilities.

May 5, 2015; U.S. Attorney; Southern District of New York

Manhattan U.S. Attorney Announces Conviction Of Doctor And Owner Of Bronx Clinic Involved In Illegal Distribution Of More Than Five Million Oxycodone Pills
Preet Bharara, the United States Attorney for the Southern District of New York, announced the conviction of KEVIN LOWE, the owner of "Astramed," a purported medical clinic with multiple locations in the Bronx, New York, and from which more than five million tablets of the prescription painkiller oxycodone were unlawfully distributed over a three-year period. LOWE was convicted yesterday following a two-week jury trial presided over by U.S. District Judge Lorna G. Schofield.

May 5, 2015; U.S. Attorney; District of New Jersey

Two Doctors Each Sentenced to 37 Months in Prison for Taking Bribes in Test-Referrals Scheme with New Jersey Clinical Lab
NEWARK, N.J. - Two doctors were sentenced to prison today for accepting bribes in exchange for test referrals as part of a long-running and elaborate scheme operated by Biodiagnostic Laboratory Services LLC (BLS), of Parsippany, New Jersey, its president and numerous associates, U.S. Attorney Paul J. Fishman announced.

May 4, 2015; U.S. Attorney; District of Columbia

Durable Medical Equipment Supplier to Pay United States \$300,000 To Resolve False Claims Allegations
WASHINGTON - American Rehab Equipment Company, formerly known as Patients First Medical Equipment Company, has agreed to pay the United States and the District of Columbia a total of \$300,000 to settle allegations that it violated the False Claims Act by overcharging the District of Columbia Medicaid Program for custom power wheelchairs provided to residents of nursing facilities.

May 4, 2015; U.S. Attorney; Southern District of California

Five Southern California Ambulance Companies to Pay More Than \$11.5 Million to Resolve Kickback Allegations
SAN DIEGO - In a lawsuit unsealed in federal court today, five ambulance companies have entered into civil settlements with the Department of Justice requiring them to collectively pay more than \$11.5 million in payments to the United States to resolve kickback allegations.



May 4, 2015; U.S. Attorney; District of Nevada

Endoscopy Center Ceo Sentenced For Billing Fraud Scheme

LAS VEGAS, Nev. - Tonya Rushing, former CEO of the now-defunct Endoscopy Center of Southern Nevada, was sentenced today by Senior U.S. District Judge Larry R. Hicks to one year and one day in prison for conspiring with Dipak Desai, the former owner of the center, to commit health care fraud, announced U.S. Attorney Daniel G. Bogden for the District of Nevada.

May 1, 2015; U.S. Attorney; Southern District of New York

Manhattan U.S. Attorney Announces \$60 Million Civil Fraud Settlement With Accredo Health Group Over Kickback Scheme Involving Prescription Drug

Preet Bharara, the United States Attorney for the Southern District of New York, Diego Rodriguez, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), and Scott J. Lampert, Special Agent in Charge of the U.S. Department of Health and Human Services, Office of Inspector General's New York Regional Office ("HHS-OIG") announced yesterday a \$60 million settlement of a civil fraud lawsuit against ACCREDO HEALTH GROUP ("ACCREDO") concerning a kickback scheme with NOVARTIS PHARMACEUTICALS CORP. ("NOVARTIS") involving the prescription drug Exjade. In addition to filing a Notice of Intervention against and Stipulation and Order of Settlement and Dismissal with ACCREDO, the Government has elected to intervene against NOVARTIS over the same conduct previously filed by a whistleblower. As alleged in the lawsuit, NOVARTIS provided kickbacks, in the form of patient referrals and related benefits, to ACCREDO in exchange for ACCREDO's recommending refills to Exjade patients. In connection with the scheme, the defendants understated the serious and potentially life-threatening side effects of Exjade when promoting the drug's benefits to patients.

STATE ENFORCEMENT

May 29, 2015; New York Attorney General

A.G. Schneiderman Announces Sentencing Of Rochester Man Who Posed As Doctor In Order To Illegally Obtain Drugs

ROCHESTER-Attorney General Eric T. Schneiderman announced the sentencing of William Martinez, age 34 of Rochester, who previously pled guilty for pretending to be a doctor in order to unlawfully obtain narcotics from a pharmacy using his Medicaid benefits card. Martinez was sentenced to a determinate prison term of 1.5 years, 1.5 years post-release supervision and restitution for the cost to the Medicaid program.

May 29, 2015; Missouri Attorney General

AG Koster files felony charges in Camden County Medicaid fraud case

Jefferson City, Mo. - Attorney General Chris Koster announced today that a Camdenton woman Lisa Long, age 52, of Camdenton, has been charged with two felony counts of Medicaid fraud. The Attorney General's Medicaid Fraud Control Unit is assisting Camden County Prosecuting Attorney Michael Gilley in the prosecution.

May 26, 2015; Alabama Attorney General

AG Announces Arrest of Mobile Dentist for Medicaid Fraud

(MONTGOMERY)- Attorney General Luther Strange announced the arrest of a Mobile dentist, William Gerard Eastburn, on one count of filing false claims with the Alabama Medicaid Agency and one count of first-degree theft of property.



May 26, 2015; New York Attorney General

A.G. Schneiderman Announces Guilty Plea Of Rochester Woman Who Submitted False Time Sheets To Medicaid For The Care Of Her Daughter

ROCHESTER, NY - Attorney General Eric Schneiderman today announced the arraignment, guilty plea and sentencing of Patricia Power for Petit Larceny based upon criminal charges filed by his office. Power, the mother of a disabled adult from Farmington, submitted phony time sheets to Medicaid for personal care work that the daughters of Power did not perform for their sister

May 26, 2015; Tennessee Department of Finance and Administration

Jefferson County Woman Charged With TennCare Doctor Shopping

NASHVILLE, Tenn. - A Jefferson County woman is charged with TennCare fraud involving "doctor shopping," or using TennCare to go to multiple doctors in a short time period to obtain controlled substances.

May 26, 2015; Tennessee Department of Finance and Administration

Cannon County Woman Charged With TennCare Doctor Shopping

NASHVILLE, Tenn. - A Cannon County woman is charged for a second time with TennCare fraud involving prescription drugs.

May 22, 2015; Louisiana Attorney General

AG Buddy Caldwell Announces Two Arrests Following Investigations Into Medicaid Fraud

A Baton Rouge medical transportation provider and a New Orleans personal care attendant are facing charges involving separate schemes to defraud the state's Medicaid program, Attorney General Buddy Caldwell announced today.

May 21, 2015; Florida Attorney General

Two Osceola County Women Arrested for Medicaid Fraud

TALLAHASSEE, Fla.-Attorney General Pam Bondi's Medicaid Fraud Control Unit, the Osceola County Sheriff's Office and the Osceola County Probation and Parole Services today arrested two Osceola County women for allegedly billing the Medicaid program for more than \$94,000 in fraudulent services.

May 20, 2015; Tennessee Department of Finance and Administration

Giles Co. Woman Facing 5th TennCare Fraud Charge

NASHVILLE, Tenn. - A Giles County woman is charged with TennCare fraud for the fifth time.

May 20, 2015; New York Attorney General

A.G. Schneiderman Announces Arrest of Southern Tier Nurse for Allegedly Diverting Narcotics from Nursing Home Patients

ELMIRA - Attorney General Eric T. Schneiderman today announced the arrest of Lisa Rums smoke Clark, 45, a Licensed Practical Nurse from Watkins Glen, on charges that she allegedly diverted nearly 200 narcotic pills from elderly patients residing at Elcor Nursing and Rehabilitation Center in Horseheads.

May 19, 2015; Tennessee Department of Finance and Administration

Two in East Tennessee Charged With TennCare Fraud

NASHVILLE, Tenn. - A Blount County woman and a man from Hamilton County are charged in separate cases involving TennCare fraud. The Office of Inspector General (OIG) today announced the arrests.



May 18, 2015; Massachusetts Attorney General

AG Healey Takes Action Against Hyannis Physician for Illegally Prescribing Opioids
BOSTON - Delivering on her promise to tackle the opioid and heroin epidemic from all angles, Attorney General Maura Healey announced today that a Hyannis physician has been indicted for illegally prescribing opioids and defrauding the state's Medicaid program (MassHealth).

May 15, 2015; Missouri Attorney General

Attorney General Koster announces judgment against St. Louis personal care attendant
Jefferson City, Mo. - Attorney General Chris Koster announced today that his office has obtained a civil judgment against a St. Louis personal care attendant for submitting false claims to Medicaid.

May 15, 2015; New York Attorney General

A.G. Schneiderman Announces Guilty Plea Of Former Rochester Pharmacy Technician Who Posed As Doctor To Illegally Obtain Prescription Narcotics
ROCHESTER - Attorney General Eric T. Schneiderman today announced the guilty plea of William Martinez, 34, of Rochester, who admitted in court to posing as a doctor in order to unlawfully obtain narcotics from a pharmacy using his Medicaid benefits card. Martinez pleaded guilty to Criminal Possession of a Controlled Substance in the 4th Degree, a Class C felony, before The Honorable Melchor Castro in Monroe County Court. Mr. Martinez is expected to receive a determinate prison term of 1.5 years, 1.5 years of post-release supervision, and restitution for the cost to the Medicaid program when sentencing occurs on May 29.

May 15, 2015; Tennessee Department of Finance and Administration

Bradley Co. Woman Charged Third Time With TennCare Fraud
NASHVILLE, Tenn. - A Bradley County woman is charged for the third time with doctor shopping for prescription drugs, using TennCare benefits as payment.

May 14, 2015; Missouri Attorney General

AG Koster obtains additional \$1.2 million for Missouri from Medicaid fraud settlement
Jefferson City, Mo. - Attorney General Chris Koster announced today that Missouri's Medicaid program recovered an additional \$2.5 million for the state and federal government as a result of Universal American Corp's (UA) sale of APS Healthcare, Inc. (APS). The additional recovery is part of the March 17, 2015, settlement agreement between APS, the United States, and Missouri. Thus far, APS has paid nearly \$7 million to the state and federal government, with \$3,643,500 of that amount for Missouri.

May 14, 2015; New York Attorney General

A.G. Schneiderman Announces Arrest Of Nurse Charged With Stealing Percocet Pills From Nursing Home
CATSKILL - Attorney General Eric T. Schneiderman today announced the arrest and arraignment of Rachael Cornell, a Licensed Practical Nurse (L.P.N.), on charges that she stole Percocet pills from Kaaterskill Care Skilled Nursing and Rehabilitation for personal use and destroyed the narcotic record to try to cover up her theft.

May 14, 2015; Tennessee Department of Finance and Administration

3 Charged With TennCare Fraud in Hamblen, Greene Counties
NASHVILLE, Tenn. - Three people are charged separately with TennCare fraud in Greene and Hamblen Counties. All three cases involve efforts to obtain prescription pain medication, using TennCare healthcare insurance benefits to pay for the drugs.



May 14, 2015; Louisiana Attorney General

Medicaid Fraud Control Unit Arrests New Orleans Woman

Attorney General Buddy Caldwell announced today that a New Orleans woman has been arrested for Medicaid fraud after illegally billing the Louisiana Medicaid Program for health-care services that were not performed.

May 13, 2015; Tennessee Department of Finance and Administration

Weakley Co. Woman Charged With TennCare Drug Fraud

NASHVILLE, Tenn. - A Weakley County woman faces multiple TennCare fraud charges in connection with using the state healthcare insurance program to pay for fraudulent prescriptions.

May 13, 2015; Missouri Attorney General

AG Koster files felony charges in Dent County Medicaid fraud case

Jefferson City, Mo. - Attorney General Chris Koster announced today that three individuals from Salem have been charged with multiple felony counts of Medicaid fraud. The Attorney General's Medicaid Fraud Control Unit is assisting Dent County Prosecuting Attorney Andrew Curley in the prosecution.

May 11, 2015; New Jersey Department of Law and Public Safety

Owner of Medical Imaging Centers to Receive 10-Year Prison Sentence After Pleading Guilty to Bribing Dozens of Doctors in Exchange for Scan Referrals Worth Several Million Dollars

TRENTON - Acting Attorney General John J. Hoffman and the Office of the Insurance Fraud Prosecutor (OIFP) announced today that the ringleader of a major criminal enterprise and his wife pleaded guilty to charges that they bribed dozens of doctors in exchange for referrals, worth several million dollars, to the medical imaging centers they owned and operated. It was also announced that three other co-conspirators in the bribery scheme pleaded guilty to their roles.

May 11, 2015; Nevada Attorney General

Attorney General Laxalt Announces Sentencing of Medicaid Provider for Failure to Maintain Adequate Records

Las Vegas, NV - Nevada Attorney General Adam Paul Laxalt announced that Michiko Nicole Martin, 34, of Las Vegas, was sentenced last week for Medicaid fraud. The judge sentenced Martin on one gross misdemeanor charge of intentional failure to maintain adequate records. The fraud was committed between May 2012 and July 2013.

May 7, 2015; Pennsylvania Attorney General

Seven charged with Medicaid fraud after investigations by Attorney General Kane's office

HARRISBURG - Attorney General Kathleen G. Kane today announced the arrest of seven individuals charged with Medicaid fraud after unrelated investigations across the Commonwealth.

May 6, 2015; New York Attorney General

A.G. Schneiderman Announces Guilty Plea And Jail Sentence For Owner Of Westchester Transportation Company Who Stole More Than \$200,000 From Medicaid

PEARL RIVER - Attorney General Eric T. Schneiderman today announced that Carewell Ambulette, Inc. and its owner, Kurien Palliankal, 48, of Yonkers, have pleaded guilty to stealing more than \$200,000 from the Medicaid program. The company, formerly based in New Rochelle, provided transportation services to Medicaid recipients throughout Westchester and neighboring counties. Palliankal will be sentenced to six months in jail, followed by five years of probation, and will also be required to pay full restitution to Medicaid.



May 6, 2015; New York Attorney General

A.G. Schneiderman Announces Guilty Plea Of Westchester Nonprofit Executive For Stealing From State Program Assisting Seniors And Disabled

PEARL RIVER - Attorney General Eric T. Schneiderman today announced that Darlington Odidika, executive director of Yonkers-based nonprofit Systems and Abilities, Inc., pleaded guilty to his role in a bid-rigging and kickback scheme to defraud the Medicaid system of monies earmarked to allow the elderly and infirm to live in the community, rather than in an institutional setting. As a condition of today's plea, Odidika, 47, of Poughkeepsie, will be sentenced to three months in jail and five years of probation. Odidika and the corporation are also required to repay the full amount that was stolen from Medicaid as a result of this scheme.

May 5, 2015; Idaho Attorney General

Pullman Dentist Sentenced for Medicaid Fraud

(Boise) - An Eastern Washington dentist, Alfred Fairbanks, convicted of four felony counts of provider fraud, has been sentenced to five years in prison, Attorney General Lawrence Wasden announced today. The court suspended the prison sentence.

May 1, 2015; Mississippi Attorney General

Wisconsin Woman Arrested for Felony Exploitation of Vulnerable Person

A Wisconsin resident has been arrested following indictment for felony exploitation of a vulnerable person, announced Attorney General Jim Hood today.

May 1, 2015; New Jersey Department of Law and Public Safety

Monmouth County Woman Sentenced to Three Years in Prison for Submitting Approximately \$500,000 in Fraudulent Healthcare Claims to Insurer

TRENTON - Acting Attorney General John Hoffman and the Office of the Insurance Fraud Prosecutor (OIFP) announced that a Monmouth County woman received a three-year state prison term for submitting fraudulent healthcare claims that totaled more than \$500,000 to her insurer over a two-year span.