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Medicare Fraud Strike Force Operations Lead to Charges Against 53 Doctors, Health Care Executives and Beneficiaries for More Than \$50 Million in Alleged False Billing in Detroit

Early Morning Takedown Leads to Arrests in Detroit, Miami and Denver

WASHINGTON – Fifty-three people have been indicted for schemes to submit more than \$50 million in false Medicare claims in the continuing operation of the Medicare Fraud Strike Force in Detroit, Attorney General Eric Holder, Department of Health and Human Services (HHS) Secretary Kathleen Sebelius and FBI Director Robert Mueller announced today. The Strike Force in Detroit is the third phase of a targeted criminal, civil and administrative effort against individuals and health care companies that fraudulently bill the Medicare program.

While the indictments were returned by a grand jury in Detroit, individuals were arrested today in Detroit, Miami and Denver as a result of phase three operations of the Strike Force. 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.

"As demonstrated by today's charges and arrests, we will strike back against those whose fraudulent schemes not only undermine a program upon which 45 million aged and disabled Americans depend, but which also contribute directly to rising health care costs that all Americans must bear," said Attorney General Holder. "The vast majority of doctors, patients, and medical companies do the right thing and work with the Medicare program to provide access to medical services. To those who work diligently and ethically to provide medical care through the Medicare program, we will work with you to root out the few who corrupt the system and taint the good reputations of health professionals everywhere."

"The Obama Administration is committed to turning up the heat on Medicare fraud and

employing all the weapons in the federal government's arsenal to target those who are defrauding the American taxpayer," said HHS Secretary Kathleen Sebelius. "Thanks to cooperation from across the government and some of the best law enforcement professionals in the country, today we were able to save millions of dollars from being lost to criminals and send a powerful message to those who seek to defraud the system, that we are coming after them. But our joint efforts on HEAT don't just stop at the jailhouse door. Our Medicare program is working closely in partnership with our own and other law enforcement operations to prevent fraud from happening in the first place. Every dollar we can save by stopping fraud can be used to strengthen the long-term fiscal health of Medicare, bring down costs and deliver better service to Medicare beneficiaries."

The Strike Force operations in Detroit are part of the Health Care Fraud Prevention & Enforcement Action Team (HEAT), a renewed effort announced in May 2009 between the Department of Justice and HHS to focus their joint efforts to prevent fraud and enforce current anti-fraud laws around the country. The HEAT taskforce, co-chaired by Deputy Attorney General David Ogden 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.

Today, federal agents from the FBI and the HHS Office of Inspector General (HHS-OIG) began executing arrest warrants in Detroit, Miami and Denver as part of a concentrated effort to address fraud in the metro-Detroit area. Charges were unsealed today against 53 individuals who are accused of various Medicare fraud offenses, including conspiracy to defraud the Medicare program, criminal false claims and violations of the anti-kickback statutes. The Strike Force operations in Detroit have identified two primary areas – infusion therapy and physical/occupational therapy providers – in which schemes were allegedly orchestrated to defraud the Medicare program.

According to the indictments, the defendants charged today participated in schemes to submit claims to Medicare for treatments that were in fact medically unnecessary and oftentimes, never provided. In many cases, indictments allege that beneficiaries accepted cash kickbacks in return for allowing providers to submit forms saying they had received the unnecessary and not provided treatments. Collectively, the physicians, medical assistants, patients, company owners and executives charged in the indictments are accused of conspiring to submit more than \$50 million in false claims to the Medicare program.

"We will continue to work together in the months to come to identify and stop those who would line their own pockets with taxpayer money – those who seek to benefit at the expense of our health care system, our economy and our collective well-being," said FBI Director Mueller.

"Today's landmark series of arrests in Detroit and across the country demonstrates that health

care fraud can happen anywhere in America," said Daniel R. Levinson, Inspector General of the Department of Health & Human Services. "We will continue to detect and respond rapidly to emerging fraud schemes to protect our federal health care programs and conserve scarce health care dollars so critically needed for the care of our beneficiaries."

The work of the Detroit Strike Force is another important step in the multi-phase enforcement and regulatory HEAT initiative designed to reduce the potential for Medicare and Medicaid fraud. Since its inception in March 2007 with phase one in South Florida and expansion to phase two in Los Angeles in May 2008, the Strike Force has obtained indictments of more than 250 individuals and organizations that collectively have billed the Medicare program for more than \$600 million. In addition, HHS's Centers for Medicare and Medicaid Services, working in conjunction with the HHS-OIG, is taking steps to increase accountability and decrease the presence of fraudulent providers.

Each of the three Detroit Strike Force teams is led by a federal prosecutor supervised by the Justice Department's Criminal Division's Fraud Section in Washington, D.C., and the U.S. Attorney's Office for the Eastern District of Michigan. Each team has four to six agents, with at least one agent from the FBI and HHS-OIG.

The cases are being prosecuted by attorneys from the Fraud Section in the Justice Department's Criminal Division, including Deputy Chief Kirk Ogrosky and Trial Attorneys John K. Neal and Benjamin D. Singer as well Special Assistant U.S. Attorney Thomas W. Beimers in the U.S. Attorney's Office for the Eastern District of Michigan, on detail from HHS-OIG.

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.hhs.gov/stopmedicarefraud

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