



Department of Justice

United States Attorney's Office
Western District of Kentucky

FOR IMMEDIATE RELEASE
THURSDAY, JUNE 18, 2015
WWW.JUSTICE.GOV/USAO/KYW

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TWELVE CHARGED IN WESTERN DISTRICT OF KENTUCKY AS PART OF LARGEST NATIONAL MEDICARE FRAUD TAKEDOWN IN HISTORY

Six cases charged during three day sweep totaling approximately \$7.8 million in false billings

LOUISVILLE, Ky. – Acting United States Attorney John E. Kuhn, Jr. today announced the results of a health care fraud sweep in the Western District of Kentucky as part of the largest national Medicare fraud takedown led by the Justice Department and Department of Health and Human Services (HHS) Medicare Fraud Strike Force. The three day sweep, in the Western District of Kentucky, resulted in charges against 12 individuals, including three medical physicians, for their alleged participation in health care fraud schemes, involving approximately \$7.8 million in fraudulent billings.

“Losses caused by health care fraud are staggering, amounting to tens of billions of dollars every year,” said Acting U.S. Attorney John Kuhn. “Sadly, these fraud losses are passed along to the rest of us in the form of increased health care costs. For that reason, investigating and prosecuting health care fraud is one of the Department of Justice’s highest priorities. As these cases demonstrate, federal, state and local law enforcement agencies are working together to turn the tide by prosecuting more fraudsters and recovering more money. And our enforcement efforts make great financial sense, too: when we pursue fraud against federal health care programs, we know we recover almost eight dollars for every dollar we expend in investigative and prosecution costs.”

“The Healthcare industry is massive and as a result Health Care Fraud is big business for criminals,” stated FBI Special Agent in Charge Howard S. Marshall. “HCF is one of our top Complex Financial Crime priorities and we continue to dedicate significant investigative resources to address it. We work closely with our local, state and federal partners; I am proud of our investigators who work hard to hold these criminals accountable.”

“Kentucky is facing an epidemic of prescription drug abuse,” said Derrick L. Jackson, Special Agent in Charge of the U.S. Department of Health and Human Services, Office of Inspector General in Atlanta. “Physicians who overprescribe narcotics not only waste valuable taxpayer dollars and defraud Medicare and Medicaid, they also threaten the health and safety of their patients.”

In the Western District of Kentucky, three physicians were charged in separate cases. The charges included billing for services at a higher code than the service provided, prescribing pain medications that resulted in the deaths of patients, and billing for non FDA approved IUDs.

Further, in a separate scheme, five defendants were charged with operating chiropractic clinics that falsely billed health care benefit programs approximately \$5 million for injections that patients never received. Another charged scheme involved the alleged staging of an auto accident for passenger participants to seek unnecessary pain management treatment. (Indictments and press releases are attached)

Nationally, the sweep resulted in charges against 243 individuals, including 46 doctors, nurses and other licensed medical professionals, for their alleged participation in Medicare fraud schemes involving approximately \$712 million in false billings. In addition, the Centers for Medicare & Medicaid Services (CMS) also suspended a number of providers using its suspension authority as provided in the Affordable Care Act. The coordinated takedown is the largest in Strike Force history, both in terms of the number of defendants charged and loss amount.

U.S. Attorney Kuhn acknowledged and credited the law enforcement agencies investigating these cases: Federal Bureau of Investigation (FBI), the U.S. Department of Health and Human Services-Office of Inspector General (HHS-OIG), the U.S. Drug Enforcement Administration (DEA), the United States Postal Inspection Service, the Internal Revenue Service Criminal Investigation, the National Insurance Crime Bureau, FDA – Office of Criminal Investigations, Kentucky State Police (KSP), Indiana and Kentucky Medicaid Fraud Control Units, Warren County Drug Task Force and Louisville Metro Police Department.

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