

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

UNITED STATES OF AMERICA,  
  
Plaintiff,

Case:2:16-cr-20433  
Judge: Edmunds, Nancy G.  
MJ: Stafford, Elizabeth A.  
Filed: 06-16-2016 At 03:43 PM  
INDI SEALED v SEALED (sk)

v.

D-1 MAHMOUD RAHIM, M.D.  
D-2 JANET NAHKLE

VIO: 18 U.S.C. § 1349  
18 U.S.C. § 371  
42 U.S.C. § 1320a-7b  
18 U.S.C. § 982

Defendants.

**INDICTMENT**

THE GRAND JURY CHARGES:

**General Allegations**

**The Medicare Program**

1. The Medicare program was a federal health care program providing benefits to persons who were over the age of 65 or disabled. Medicare was administered by the Centers for Medicare and Medicaid Services (CMS), a federal agency under the United States Department of Health and Human Services. Individuals who received benefits under Medicare were referred to as Medicare “beneficiaries.”

2. Medicare was a “health care benefit program,” as defined by Title 18, United States Code, Section 24(b).

3. The Medicare program included coverage under two primary components, hospital insurance (“Part A”), and medical insurance (“Part B”). Part A covered physical therapy, occupational therapy, and skilled nursing services if a facility was certified by CMS as meeting certain requirements. Part B of the Medicare Program covered the cost of physicians’ services and other ancillary services not covered by Part A.

4. National Government Services was the CMS intermediary for Medicare Part A in the state of Michigan. Wisconsin Physicians Service was the CMS contracted carrier for Medicare Part B, which included home visits, in the state of Michigan. TrustSolutions LLC was the Program Safeguard Contractor for Medicare Part A and Part B in the state of Michigan until April 24, 2012, when it was replaced by Cahaba Safeguard Administrators LLC as the Zone Program Integrity Contractor (ZPIC). The ZPIC is the contractor charged with investigating fraud, waste and abuse. Cahaba was replaced by AdvanceMed in May 2015.

5. By becoming a participating provider in Medicare, enrolled providers agreed to abide by the policies and procedures, rules, and regulations governing reimbursement. In order to receive Medicare funds, enrolled providers, together with their authorized agents, employees, and contractors, were required to abide by

all the provisions of the Social Security Act, the regulations promulgated under the Act, and applicable policies, procedures, rules, and regulations issued by CMS and its authorized agents and contractors.

6. Upon certification, the medical provider, whether a clinic or an individual, was assigned a provider identification number for billing purposes (referred to as a PIN). When the medical provider rendered a service, the provider submitted a claim for reimbursement to the Medicare contractor/carrier that included the PIN assigned to that medical provider. When an individual medical provider was associated with a clinic, Medicare Part B required that the individual provider number associated with the clinic be placed on the claim submitted to the Medicare contractor.

7. Health care providers were given and/or provided with online access to Medicare manuals and services bulletins describing proper billing procedures and billing rules and regulations. Providers could only submit claims to Medicare for services they rendered and providers were required to maintain patient records to verify that the services were provided as described on the claim form.

8. In order to receive reimbursement for a covered service from Medicare, a provider was required to submit a claim, either electronically or using a form (e.g., a CMS-1500 form or UB-92) containing the required information appropriately identifying the provider, patient, and services rendered.

**Relevant Entities and Individuals**

9. Associated Physicians of Southeast Michigan, P.C. (“APSM”), was a Michigan corporation located at 10066 Dix Avenue, Dearborn, Michigan 48120.

10. D-1 MAHMOUD RAHIM, MD, a resident of Oakland County, Michigan, was a physician licensed in Michigan who owned and operated APSM.

11. D-2 JANET NAKHLE, a resident of Wayne County, Michigan, was a office manager for APSM.

12. Usman Butt, a resident of Macomb County, Michigan, was the owner of Prestige Home Health Services, Inc. (“Prestige”), and he paid D-1 MAHMOUD RAHIM and D-2 JANET NAKHLE kickbacks and bribes to refer Medicare beneficiaries to Prestige.

13. Rizwan Qadir, a resident of Oakland County, Michigan, was the owner of Rizwan Qadir MD PC and Neuroscience PC, and the operator of Fordson Medical Group PC (“Fordson”), and he paid D-1 MAHMOUD RAHIM and D-2 JANET NAKHLE kickbacks and bribes in exchange for Medicare beneficiary referrals.

**COUNT 1**  
**(18 U.S.C. § 1349—Conspiracy to Commit**  
**Health Care Fraud and Wire Fraud)**  
**D-1 MAHMOUD RAHIM**

14. Paragraphs 1 through 12 of the Indictment are realleged and incorporated by reference as fully set forth herein.

15. Beginning in or around December 2008 and continuing through in or about February 2013, the exact dates being unknown to the Grand Jury, in Wayne County, in the Eastern District of Michigan, and elsewhere, the defendant, D-1 MAHMOUD RAHIM, M.D., did willfully and knowingly combine, conspire, confederate, and agree with Usman Butt, and others known and unknown to the Grand Jury, to commit certain offenses against the United States, namely:

a. to knowingly and willfully execute a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Medicare, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, said health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, in violation of Title 18, United States Code, Section 1347; and

b. to knowingly and with the intent to defraud devise and intend to devise a scheme and artifice to defraud, and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that the pretenses, representations and promises were false and fraudulent when made, and knowingly transmit and cause to be transmitted, by means of wire communication in interstate commerce, writings, signs, signals, pictures, and

sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

### **Purpose of the Conspiracy**

16. It was a purpose of the conspiracy for MAHMOUD RAHIM, M.D. and his co-conspirators to unlawfully enrich themselves by, among other things: (a) submitting false and fraudulent claims, through interstate wires, to Medicare for home health and physician services purportedly provided to beneficiaries that were obtained through the payment of kickbacks and bribes; (b) soliciting, receiving, offering and paying kickbacks and bribes for the purpose of referring Medicare beneficiaries who did not qualify, and oftentimes never received, home health and physician services covered by Medicare for services that were tainted by kickbacks, unnecessary or not provided; (c) concealing the submission of false and fraudulent claims to Medicare, the receipt and transfer of the proceeds from the fraud, and the payment of kickbacks; and (d) diverting proceeds of the fraud for the personal use and benefit of the defendants and his co-conspirators.

### **Manner and Means**

17. The manner and means by which the defendant and his co-conspirators sought to accomplish the purpose of the conspiracy included, among others, the following:

18. On or about April 30, 2004, MAHMOUD RAHIM, M.D., certified to Medicare that APSM would abide by all Medicare laws, regulations and program instructions that applied to APSM, including that APSM would refrain from violating the federal anti-kickback statute.

19. Thereafter, D-1 MAHMOUD RAHIM, M.D., Usman Butt, and others, devised and participated in a scheme to pay and receive kickbacks and bribes in order to submit and cause the submission of false and fraudulent claims, through interstate wires, to Medicare on behalf of recruited beneficiaries.

20. Usman Butt would pay kickbacks to D-1 MAHMOUD RAHIM in exchange for the Medicare beneficiary referrals and signed CMS-485s ("Plans of Care").

21. MAHMOUD RAHIM, M.D. and others falsified, fabricated, altered, and caused the falsification, fabrication, and alteration of medical records, including CMS-485s, to support claims for home health and physicians services that were not medically necessary and oftentimes never provided.

22. D-1 MAHMOUD RAHIM, M.D., Usman Butt, and other co-conspirators, through interstate wires, submitted or caused the submission of false and fraudulent claims to Medicare for purported home health and physician services purportedly provided to recruited beneficiaries.

All in violation of Title 18, United States Code, Section 1349.

**COUNT 2**

**(18 U.S.C. § 371—Conspiracy To Solicit and Receive Healthcare Kickbacks)  
D-1 MAHMOUD RAHIM  
D-2 JANET NAKHLE**

23. Paragraphs 1 through 13, and 18 through 21, of the Indictment are realleged and incorporated by reference as fully set forth herein.

24. Beginning in or around December 2004, and continuing through in or about February 2016, the exact dates being unknown to the Grand Jury, in Wayne County, in the Eastern District of Michigan, and elsewhere, the defendants, D-1 MAHMOUD RAHIM, M.D. and D-2 JANET NAKHLE, did willfully and knowingly combine, conspire, confederate, and agree with Rizwan Qadir, Usman Butt, and others known and unknown to the Grand Jury, to commit certain offenses against the United States, that is,

a. To defraud the United States by impairing, impeding, obstructing, and defeating through deceitful and dishonest means, the lawful government functions of the Department of Health and Human Services in its administration and oversight of the Medicare program; and

b. to violate Title 42, United States Code, Section 1320a-7b(b)(1)(A) by knowingly and willfully soliciting or receiving any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind in return for referring an individual to a person for the furnishing or arranging



for the furnishing of any item or service for which payment may be made in whole or in part by Medicare, a Federal health care program as defined in Title 18, United States Code, Section 24(b), and

c. to violate Title 42, United States Code, Section 1320a-7b(b)(2)(A) by knowingly and willfully offering or paying any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash, in check, or in kind in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by Medicare, a Federal health care program as defined in Title 18, United States Code, Section 24(b).

### **Purpose of the Conspiracy**

25. It was a purpose of the conspiracy for defendants D-1 MAHMOUD RAHIM, M.D., D-2 JANET NAKHLE, and others to unlawfully enrich themselves by: (1) offering, paying, soliciting, and receiving kickbacks and bribes in return for Medicare beneficiary referrals; and (2) submitting and causing the submission of claims to Medicare for purported home health and physician services provided to those recruited beneficiaries.

### **Manner and Means**

26. The manner and means by which the defendants sought to accomplish the purpose of the conspiracy included, among other things:

27. Usman Butt, Rizwan Qadir, and others paid kickbacks and bribes to D-1 MAHMOUD RAHIM, M.D. and D-2 JANET NAKHLE in exchange for referring Medicare beneficiaries to their home health care agencies and physician practices.

### **Overt Acts**

28. In furtherance of the conspiracy, and to accomplish its purposes and objects, at least one of the conspirators committed, or caused to be committed, in the Eastern District of Michigan, the following overt acts, among others:

29. On or about November 16, 2015, D-1 MAHMOUD RAHIM, M.D. deposited or caused to be deposited Fordson Medical Group PC check #4476, in the approximate amount of \$2,300, made payable to APMS.

30. On or about December 14, 2015, D-1 MAHMOUD RAHIM, M.D. deposited or caused to be deposited Fordson Medical Group PC check #4480, in the approximate amount of \$2,300, made payable to APMS.

31. On or about January 5, 2013, D-2 JANET NAKHLE deposited or caused to be deposited Neuroscience PC check #1364, in the approximate amount of \$2,020, made payable to D-2 JANET NAKHLE.

32. On or about January 5, 2012, D-2 JANET NAKHLE deposited or caused to be deposited Neuroscience PC check #1312, in the approximate amount of \$3,220, made payable to D-2 JANET NAKHLE.

All in violation of Title 18, United States Code, Section 371.

**COUNTS 3-6**  
**(42 U.S.C. 1320a-7b(b)(1) –**  
**Receipt of Kickbacks in Connection with a Federal Health Care Program)**

33. Paragraphs 1 through 13, and 18 through 21 of this Indictment are realleged and incorporated by reference as though fully set forth herein.

34. On or about the dates enumerated below, in the Eastern District of Michigan and elsewhere, D-1 MAHMOUD RAHIM and D-2 JANET NAKHLE did knowingly and willfully solicit and receive remuneration, that is kickbacks and bribes, directly and indirectly, overtly and covertly, in the forms of checks and cash, from a person in order to induce them to refer an individual to a person for the furnishing and arranging for the furnishing of any item or service for which payment may be made in whole or in part under a Federal health care program as defined in Title 18 United States Code, Section 24(b), that is, Medicare, as set forth below:

<b>Count</b>	<b>Approx. Date</b>	<b>Amount</b>	<b>Description</b>
3 (D-1 MAHMOUD RAHIM)	11/16/2015	\$2300	Check #4476 from Fordson Medical Group PC to Associated Physicians of Southeast Michigan
4 (D-1 MAHMOUD RAHIM)	12/14/2015	\$2300	Check #4480 from Fordson Medical Group PC to Associated Physicians of Southeast Michigan

5 (D-2 JANET NAKHLE)	1/5/2013	\$2020	Check #1364 from Neuroscience PC to JANET NAKHLE
6 (D-2 JANET NAKHLE)	1/5/2012	\$3220	Check #1312 from Neuroscience PC to JANET NAKHLE

**Forfeiture Allegations**  
**(18 U.S.C. § 982)**

35. The above allegations contained in this Indictment are incorporated by reference as if set forth fully herein for the purpose of alleging forfeiture against all defendants pursuant to the provisions of Title 18, United States Code, Section 982.

36. Upon being convicted of violating Title 18, United States Code, Section 1349, and/or Title 42, United States Code, Sections 1320a-7b, as set forth in this Indictment, the convicted defendant shall forfeit to the United States all property, real and personal, which constitutes or is derived, directly or indirectly, from gross proceeds traceable to such violation(s), pursuant to Title 18, United States Code, Section 982(a)(7).

37. **Forfeiture Money Judgment:** The United States shall also seek the imposition of a personal forfeiture money judgment against D-1 MAHMOUD RAHIM and JANET NAKHLE in an amount up to the value of the gross proceeds obtained as a result of defendant's violations of Title 18, United States Code, Section 1349 and Title 42, United States Code, Sections 1320a-7b.

38. Substitute Assets: Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), D-1 MAHMOUD RAHIM and D-2 JANET NAKHLE shall forfeit substitute property, if by any act or omission of the defendants, property subject to forfeiture: (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to, or deposited with a third party; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property which cannot be divided without difficulty.

THIS IS A TRUE BILL.

s/Grand Jury Foreperson

Grand Jury Foreperson

BARBARA L. MCQUADE  
UNITED STATES ATTORNEY

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Dated: June 16, 2016

**ORIGINAL**

United States District Court Eastern District of Michigan	<b>Criminal Case Cov</b>
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Case:2:16-cr-20433  
 Judge: Edmunds, Nancy G.  
 MJ: Stafford, Elizabeth A.  
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NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to com

**Reassignment/Recusal Information** This matter was opened in the USAO prior to August 15, 2008 [ ]

<b>Companion Case Information</b>	Companion Case Number:
This may be a companion case based upon LCrR 57.10 (b)(4) <sup>1</sup> :	Judge Assigned:
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	AUSA's Initials: <u>AM</u>

Case Title: USA v. MAHMOUD RAHIM, ET AL.

County where offense occurred : Wayne

Check One:     **Felony**                       **Misdemeanor**                       **Petty**

- Indictment/\_\_\_ Information --- no prior complaint.
- Indictment/\_\_\_ Information --- based upon prior complaint [Case number: \_\_\_\_\_]
- Indictment/\_\_\_ Information --- based upon LCrR 57.10 (d) [Complete Superseding section below].

**Superseding Case Information**

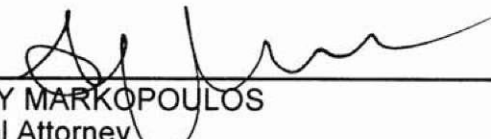
Superseding to Case No: \_\_\_\_\_ Judge: \_\_\_\_\_

- Original case was terminated; no additional charges or defendants.
- Corrects errors; no additional charges or defendants.
- Involves, for plea purposes, different charges or adds counts.
- Embraces same subject matter but adds the additional defendants or charges below:

<u>Defendant name</u>	<u>Charges</u>	<u>Prior Complaint (if applicable)</u>
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Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

June 16, 2016  
Date

  
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<sup>1</sup> Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.