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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

v.

Case:2:17-cr-20468
Judge: Drain, Gershwin A.
MJ: Whalen, R. Steven
Filed: 07-10-2017 At 03:09 PM
INFO USA V. SEALED MATTER (DA)

D-1 GLENN SAPERSTEIN,

VIO: 18 U.S.C. § 1349

Defendant.

_____ /

INFORMATION

THE UNITED STATES OF AMERICA CHARGES:

General Allegations

At all times relevant to this Information:

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. Medicare has four parts: hospital insurance (“Part A”), medical insurance (“Part B”), Medicare Advantage (“Part C”), and prescription drug benefits (“Part D”). Part B of the Medicare program covered the cost of physicians’ services, medical equipment and supplies, and diagnostic laboratory services.

4. Wisconsin Physicians Service (“WPS”) administered the Medicare Part B program for claims arising in the state of Michigan. CMS contracted with WPS to receive, adjudicate, process, and pay claims.

5. 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 a contractor that investigates fraud, waste, and abuse. Cahaba was replaced by AdvancedMed in May 2015.

6. Payments under the Medicare program were often made directly to a provider of the goods or services, rather than to a Medicare beneficiary. This payment occurred when the provider submitted the claim to Medicare for payment, either directly or through a billing company.

7. Upon certification, the medical provider, whether a clinic, physician, or other health care provider that provided services to Medicare beneficiaries, was able to apply for a Medicare Provider Identification Number (“PIN”) for billing purposes. A health care provider who was assigned a Medicare PIN and provided services to

beneficiaries was able to submit claims for reimbursement to the Medicare contractor/carrier that included the PIN assigned to that medical provider.

8. By becoming a participating provider in Medicare, enrolled providers agreed to abide by the policies and procedures, rules, and regulations governing reimbursement. To receive Medicare funds, enrolled providers, together with their authorized agents, employees, and contractors, were required to abide by all 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. Health care providers were given and provided with online access to Medicare manuals and services bulletins describing proper billing procedures and billing rules and regulations.

9. Health care providers could only submit claims to Medicare for reasonable and medically necessary services that they rendered. Medicare regulations required health care providers enrolled with Medicare to maintain complete and accurate patient medical records reflecting the medical assessment and diagnoses of their patients, as well as records documenting actual treatment of the patients to whom services were provided and for whom claims for payment were submitted by the physician. Medicare requires complete and accurate patient medical records so that Medicare may verify that the services were provided as described on the claim form. These records were required to be sufficient to permit

Medicare, through WPS and other contractors, to review the appropriateness of Medicare payments made to the health care provider.

10. Under Medicare Part B, physician office visit services and nerve block injections, including facet joint injections, were required to be reasonable and medically necessary for the treatment or diagnosis of the patient's illness or injury. Individuals providing these services were required to have the appropriate training, qualifications, and licenses to provide such services. Providers were required to: (1) document the medical necessity of these services; (2) document the date the service was performed; (3) identify the provider who performed the service; and (4) identify the clinic, physician office, or group practice where the provider provided the service. Providers conveyed this information to Medicare by submitting claims using billing codes and modifiers. To be reimbursed from Medicare for physician office visit services, and nerve block injections, including facet joint injections, the services had to be reasonable, medically necessary, documented, and actually provided as represented to Medicare. Providers were required to maintain patient records to verify that the services were provided as represented on the claim form to Medicare. 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.

11. To receive reimbursement for a covered service from Medicare, a provider must 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, among other things.

The Physician Company

12. Glenn Saperstein LLC (“Saperstein LLC”) was a Michigan Corporation doing business at 5889 Bay Rd., Suite 104, Saginaw, MI 48604. Saperstein LLC was enrolled as a participating provider with Medicare and submitted claims to Medicare.

Defendant

13. Defendant **GLENN SAPERSTEIN**, a resident of Oakland County, owned and controlled Saperstein LLC.

14. **GLENN SAPERSTEIN**, on behalf of Saperstein LLC, certified to Medicare that he would comply with all of Medicare’s rules and regulations, including that he would not knowingly present or cause to be presented a false and fraudulent claim to Medicare.

COUNT 1
18 U.S.C. § 1349
(Health Care Fraud Conspiracy)
D-1 GLENN SAPERSTEIN

15. Paragraphs 1 through 14 of the General Allegations section of this Information are re-alleged and incorporated by reference as though fully set forth herein.

16. Beginning in or around 2014 and continuing through in or around the present, in the Eastern District of Michigan, and elsewhere, **GLENN SAPERSTEIN**, did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate, and agree with others known and unknown to the Grand Jury, to commit certain offenses against the United States, that is: 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 programs, in connection with the delivery of and payment for health care benefits, items, and services, in violation of Title 18, United States Code, 1347.

Purpose of the Conspiracy

17. It was a purpose of the conspiracy for **GLENN SAPERSTEIN** and his co-conspirators to unlawfully enrich themselves by, among other things: (a) prescribing medically unnecessary controlled substances; (b) submitting or causing the submission of false and fraudulent claims to Medicare for services that were (i) medically unnecessary; (ii) not eligible for Medicare reimbursement; and/or (iii) not provided as represented; (c) concealing the submission of false and fraudulent claims to Medicare; and (d) diverting proceeds of the fraud for the personal use and benefit of the defendant and his co-conspirators in the form of compensation and other remuneration.

Manner and Means

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. From in or around 2014 to in or around the Present, **GLENN SAPERSTEIN** prescribed medically unnecessary substances.

19. **GLENN SAPERSTEIN** also disguised the involvement of Physician 1 in Saperstein LLC by signing controlled substance prescriptions for patients that had been purportedly seen by Physician 1 and billing Medicare for services purportedly provided by Physician 1, even though Physician 1 was not permitted to bill Medicare.

20. **GLENN SAPERSTEIN** performed medically unnecessary injections, billed for injections that were not provided as represented, and billed for injections in greater quantities than was actually provided (otherwise known as “upcoding”). These injections included facet joint injections, Botox injections, and testosterone injections.

21. **GLENN SAPERSTEIN** would submit or cause the submission of false and fraudulent claims to Medicare in the approximate amount of \$12,220,558.00 on behalf of Saperstein LLC.

In violation of Title 18, United States Code, Section 1349.

FORFEITURE ALLEGATIONS
(18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461;
18 U.S.C. § 982(a)(7))

22. The above allegations contained in this Information are hereby incorporated by reference as if fully set forth herein for the purpose of alleging forfeiture against defendant **GLENN SAPERSTEIN** pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982; and Title 28, United States Code, Section 2461.

23. Pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(7), together with Title 28, United States Code, Section 2461, as a result of the foregoing violations as charged in Count 1 of this Information, the defendant, **GLENN SAPERSTEIN** shall forfeit to the United States: any property, real or

personal (a) which constitutes or is derived from proceeds traceable to the commission of the offense, and (b) that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense.

24. Such property includes, but is not limited to, a forfeiture money judgment, in an amount to be proved in this matter, representing the total amount of proceeds and/or gross proceeds obtained as a result of Defendant's violations as charged in Count 1 of this Information.

25. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), the defendant, **GLENN SAPERSTEIN**, shall forfeit substitute property, up to the value of the properties described above or identified in any subsequent forfeiture bills of particular, if, by any act or omission of the defendant, the property cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property that cannot be subdivided without difficulty.

Respectfully submitted,

DANIEL L. LEMISCH
Acting United States Attorney

s/Jacob Foster

JACOB FOSTER

Trial Attorney

U.S. Department of Justice

Criminal Division, Fraud Section

s/Allan J. Medina

ALLAN J. MEDINA

Assistant Chief

U.S. Department of Justice

Criminal Division, Fraud Section

s/Wayne F. Pratt

WAYNE F. PRATT

Chief, Health Care Fraud Unit

United States Attorney's Office

Eastern District of Michigan

Date: July 10, 2017

United States District Court Eastern District of Michigan	Criminal Case (
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 MJ: Whalen, R. Steven
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NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to

Companion Case Information	Companion Case Number: 15-cr-20144, 16-cr-20636
This may be a companion case based upon LCrR 57.10 (b)(4) ¹ :	Judge Assigned: Hon. Arthur J. Tarnow
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	AUSA's Initials: <u>J → F</u>

Case Title: USA v. Glenn Saperstein

County where offense occurred : Oakland County, Saginaw County

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

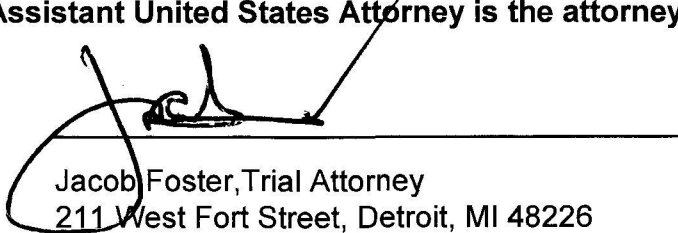
Superseding to Case No: _____ Judge: _____

- 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.

July 10, 2017
 Date



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¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, or (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.