

Detroit-Area Doctor Admits to Providing Medically Unnecessary Chemotherapy to Patients

Hematologist-Oncologist Pleads Guilty to Fraudulent Billing, Soliciting Kickbacks, and Money Laundering

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WASHINGTON—A Detroit—area hematologist-oncologist pleaded guilty today for his role in a health care fraud scheme, admitting that he administered unnecessary chemotherapy to fraudulently bill the Medicare program and private insurance companies. According to court records, the scheme enabled the doctor to submit approximately \$225 million in claims to Medicare over six years.

Assistant Attorney General Leslie R. Caldwell of the Justice Department’s Criminal Division, U.S. Attorney Barbara L. McQuade of the Eastern District of Michigan, Special Agent in Charge Paul M. Abbate of the FBI’s Detroit Field Office, Special Agent in Charge Lamont Pugh III of the U.S. Department of Health and Human Services Office of Inspector General (HHS-OIG) Chicago Regional Office and Chief Richard Weber of the Internal Revenue Service—Criminal Investigation (IRS-CI) made the announcement.

Farid Fata, M.D., 49, of Oakland Township, Michigan, pleaded guilty today before U.S. District Judge Paul D. Borman of the Eastern District of Michigan to 13 counts of health care fraud, one count of conspiracy to pay or receive kickbacks and two counts of money laundering. At his sentencing, scheduled for Feb. 23, 2014, Fata faces a statutory maximum of 175 years in prison.

“At a time when they are most vulnerable and fearful, cancer patients put their lives in the hands of doctors and endure risky treatments at their recommendation,” said Assistant Attorney General Caldwell. “Dr. Fata today admitted he put greed before the health and safety of his patients, putting them through unnecessary chemotherapy and other treatments just so that he could collect additional millions from Medicare. The mere thought of what he did is chilling. Thanks to the quick action of our partners, he was arrested and has now admitted his guilt.”

“This defendant not only stole funds from taxpayer funded insurance programs, but he also deliberately administered unnecessary chemotherapy so that he could bill insurers for expensive chemotherapy treatments,” said U.S. Attorney McQuade. “His exploitation of patients for his own profit caused victims to suffer physically and emotionally.”

“A little more than a year ago, the FBI and its law enforcement partners acted swiftly to arrest Dr. Farid Fata and shield his patients from further harm,” said FBI Special Agent in Charge

Abbate. “Today’s plea is the culmination of the diligent investigative work jointly conducted by the FBI, IRS, the Department of Health and Human Services, and prosecutors to protect the public and ensure that justice is served. Our hope is that this outcome offers some measure of solace to the victims and reassures the community of our collective resolve to prevent similar violations of patients’ trust.”

“Dr. Fata’s utter disregard for his patients’ welfare was quite simply deplorable,” said HHS-OIG Special Agent in Charge Pugh. “The OIG will ceaselessly work to bring such criminals to the justice they deserve.”

“It’s exceptionally distressing to see this kind of fraud committed by individuals in occupations that profess high ethical standards,” said IRS-CI Chief Weber. “When doctors commit fraud through their profession, it is not only a violation of the public trust but also a complete renunciation of their Hippocratic oath. Those who commit Medicare fraud are pick-pocketing from every American taxpayer.”

Fata admitted that he is a licensed medical doctor who owned and operated a cancer treatment clinic, Michigan Hematology Oncology, P.C. (MHO), which had locations in Rochester Hills, Clarkston, Bloomfield Hills, Lapeer, Sterling Heights, Troy and Oak Park, Michigan. He also owned a diagnostic testing facility, United Diagnostics PLLC, located in Rochester Hills, Michigan.

In his guilty plea today, Fata admitted to prescribing and administering aggressive chemotherapy, cancer treatments, intravenous iron and other infusion therapies to patients who did not need them in order to increase his billings to the Medicare program and other insurance companies. Fata then submitted fraudulent claims to Medicare and other insurers for these unnecessary treatments.

Fata submitted approximately \$225 million in claims to Medicare between August 2007 and July 2013, of which approximately \$109 million was for chemotherapy and other cancer treatments. Medicare paid over \$91 million to Fata, of which over \$48 million was for chemotherapy and other cancer treatments.

Fata also admitted to soliciting kickbacks from Guardian Angel Hospice and Guardian Angel Home Health Care in exchange for his referral of patients to those facilities.

Fata further admitted to using the proceeds of the health care fraud at his medical practice, MHO, to promote the carrying on of additional health care fraud at United Diagnostics, where he administered unnecessary and expensive PET (positron emission tomography) scans for which he billed a private insurer.

This case was investigated by the FBI, HHS-OIG and IRS-CI and was brought as part of the Medicare Fraud Strike Force, under the supervision of the Criminal Division’s Fraud Section and the U.S. Attorney’s Office for the Eastern District of Michigan. This case is being prosecuted by Deputy Chief Gejaa T. Gobena, Assistant Chief Catherine K. Dick and Trial Attorney Matthew C. Thuesen of the Fraud Section, and by Health Care Fraud Unit Chief Wayne F. Pratt, Deputy

Chief Sarah Resnick Cohen and White Collar Crime Unit Chief John K. Neal of the U.S. Attorney's Office for the Eastern District of Michigan.

Since its inception in March 2007, the Medicare Fraud Strike Force, now operating in nine cities across the country, has charged nearly 2,000 defendants who have collectively billed the Medicare program for more than \$6 billion. In addition, the HHS Centers for Medicare and Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

To learn more about the Health Care Fraud Prevention and Enforcement Action Team (HEAT), go to: www.stopmedicarefraud.gov.

For further information about this case, visit:

http://www.justice.gov/usao/mie/news/2013/2013_9_18_2013_dr_fata.html