

JUSTICE NEWS

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Home Health Agency Owner Pleads Guilty in Connection with Detroit Fraud Scheme

WASHINGTON - Detroit-area resident Tausif Rahman pleaded guilty today for his role in organizing a \$14 million Detroit-area home health care fraud and money laundering scheme, announced the Department of Justice, the FBI and the Department of Health and Human Services (HHS).

Rahman, 37, pleaded guilty today to one count of conspiracy to commit health care fraud and one count of money laundering before U.S. District Judge Gerald E. Rosen of the Eastern District of Michigan. At sentencing on April 30, 2012, Rahman faces a maximum penalty of 30 years in prison and a \$750,000 fine.

According to court documents, beginning in July 2008, Rahman and his co-conspirators acquired ownership and control of three Detroit-area home health agencies: Physicians Choice Home Health Care LLC, First Care Home Health Care LLC and Quantum Home Care Inc. Rahman admitted that these home health agencies billed Medicare for visits that never occurred. Between July 2008 and September 2011, Rahman and his co-conspirators submitted or caused the submission of more than \$14 million in fraudulent home health claims to the Medicare program by Physicians Choice, First Care, Quantum and a fourth home health agency owned by co-conspirators: Moonlite Home Care Inc. Medicare paid more than \$13.4 million to Physicians Choice, First Care and Quantum, the companies that Rahman beneficially owned in whole or in part.

Rahman admitted that he paid and directed the payment of kickbacks to doctors for home health care services that were never rendered. He also directed the payment of non-licensed individuals who represented themselves as doctors to Medicare beneficiaries. In addition, Rahman admitted to paying and directing various medical professionals, including nurses, physical therapists and physical therapy assistants, to create fictitious patient files to document purported home health services that were never rendered.

Rahman also admitted that he paid and directed the payment of kickbacks to beneficiary recruiters who obtained Medicare beneficiaries' information needed to bill Medicare for home health services, including physical therapy and skilled nursing, which were never rendered. The Medicare beneficiaries sometimes pre-signed forms and visit sheets that were later falsified to indicate that they received home health services that they had never received. Other times, the Medicare beneficiaries' signatures were forged on forms and visit sheets to indicate that they received home health services that they never received.

Additionally, Rahman admitted that he incorporated a shell company known as Geo Rehab LLC for the purpose of laundering the proceeds of health care fraud. More than 97 percent of the Medicare payments received by Physicians Choice were transferred into Geo Rehab's account, over which Rahman had sole control. Rahman admitted that his co-conspirators similarly created shell companies for the purpose of receiving the proceeds of health care fraud from Rahman's shell company.

Today's guilty plea was announced by Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division; U.S. Attorney for the Eastern District of Michigan Barbara L. McQuade; Special Agent in Charge Andrew G. Arena of the FBI's Detroit Field Office; and Special Agent in Charge Lamont Pugh III of the HHS Office of Inspector General's (OIG) Chicago Regional Office.

This case was prosecuted by Trial Attorney Catherine K. Dick of the Criminal Division's Fraud Section. It was investigated by the FBI and HHS-OIG, and was brought as part of the Medicare Fraud Strike Force, supervised by the Criminal Division's Fraud Section and the U.S. Attorney's Office for the Eastern District of Michigan.

Since their inception in March 2007, the strike force operations in nine districts have charged more than 1,140 individuals who collectively have falsely billed the Medicare program for more than \$2.9 billion. 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.

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Criminal Division