

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA

Plaintiff,

v.

DR. LAWRENCE B. RICHARD,

Defendant.

Case:2:14-cr-20256
Judge: Lawson, David M.
MJ: Grand, David R.
Filed: 04-29-2014 At 04:24 PM
SEALED MATTER (LG)

VIO: 18 U.S.C. § 1347
18 U.S.C. § 982

INDICTMENT

THE GRAND JURY CHARGES:

General Allegations

At all times relevant to this Indictment:

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 B of the Medicare Program covered the costs of physicians’ services and other ancillary services (including testing) not covered by Part A. The claims at issue in this indictment were submitted under Part B of the Medicare Program.

4. Wisconsin Physicians Service was the CMS contracted carrier for Medicare Part B in the state of Michigan. TrustSolutions LLC and later Cahaba Safeguard Administrators LLC (Cahaba) were the Program Safeguard Contractors for Medicare Part B in the state of Michigan.

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 and 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 (PIN) for billing purposes. When the medical provider rendered a service, the provider would submit 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's PIN associated with the clinic be placed on the claim submitted to the Medicare contractor.

7. 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. 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.

8. To receive reimbursement for a covered service from Medicare, a provider had to submit a claim, either electronically or using a form, containing the required information appropriately identifying the provider, beneficiary, and services rendered, among other things.

9. An avulsion of nail plate procedure was the surgical separation and removal of all or part of a toenail from the nail bed back to the root of the nail (nail

bed-matrix). The procedure was typically done mechanically by the separation of the toenail from the nail bed by lifting or pulling it off. The procedure was commonly performed under local anesthetic administered by multiple needle injections to the toe.

10. LAWRENCE B. RICHARD (Dr. RICHARD) was a Doctor of Podiatric Medicine (D.P.M.) licensed in the State of Michigan to provide podiatric services, which is the diagnosis and treatment of conditions affecting the foot, ankle, and related structures of the leg. Dr. RICHARD was enrolled as a participating provider in Medicare.

11. Dr. RICHARD owned and operated the following businesses:

- a. Dr. Lawrence B. Richard, D.P.M.
Family Foot Center
1221 Byron Road, Suite 3
Howell, MI 48843
- b. Dr. Lawrence B. Richard, D.P.M.
Foot Care of Taylor
22908 Wick Road # C
Taylor, MI 48180
- c. Dr. Lawrence B. Richard, D.P.M.
Southfield Family Foot Center PC
17422 W. 10 Mile Road # A
Southfield, MI 48075

12. Dr. RICHARD was a resident of Oakland County, Michigan.

COUNTS ONE to SIXTEEN
(18 U.S.C. § 1347 – Health Care Fraud)

13. The allegations contained in Paragraphs 1 through 12 are re-alleged and incorporated by reference as though fully set forth herein.

14. On or about the dates enumerated below in Paragraph 19, in Wayne County, in the Eastern District of Michigan, and elsewhere, Dr. RICHARD, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to 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 Medicare, in connection with the delivery of and payment for health care benefits, items and services.

Purpose of the Scheme and Artifice

15. It was a purpose of the scheme and artifice for Dr. RICHARD to unlawfully enrich himself through the submission of false and fraudulent claims to Medicare for services not rendered, specifically for nail plate avulsions.

The Scheme and Artifice

16. Dr. RICHARD submitted false claims to Medicare for nail plate avulsions, purporting to have rendered these services to his patients, when he did not perform them.

17. From on or about January 3, 2006, through December 20, 2012, Dr. RICHARD billed Medicare for approximately 1,630 unique beneficiaries for approximately 14,764 nail plate avulsions, amounting to approximately \$1,776,453.00 of billings to Medicare.

18. Dr. RICHARD billed Medicare for multiple nail plate avulsions performed on the same beneficiaries between 2006 and 2012. For example, Dr. RICHARD billed Medicare for approximately 33 nail plate avulsions purportedly performed on patients M.A. and D.A. each, from on or about February 22, 2006, to October 13, 2011. Dr. RICHARD billed Medicare for approximately 30 nail plate avulsions purportedly performed on C.M. from January 25, 2006, to March 14, 2012. Dr. RICHARD billed Medicare for approximately 41 nail plate avulsions purportedly performed on patient A. B. and 40 nail plate avulsions purportedly performed on patient J.B. from on or about February 8, 2006, through on or about February 3, 2012. Dr. RICHARD billed Medicare for approximately 28 nail plate avulsions purportedly performed on patient R.D. from on or about January 31,

2006, to December 1, 2011. Dr. RICHARD billed Medicare for approximately 19 nail avulsion procedures purportedly performed on patient B.B. from on or about March 17, 2008, through on or about May 17, 2011.

Acts in Execution of the Scheme and Artifice

19. In execution of the scheme and artifice, defendant caused the submission of the following claims to Medicare for services that were not rendered:

Count	Medicare Beneficiary	Service Date	CPT Code	Description	Billed
1	M.A.	2/3/2011	11730	Nail Plate Avulsion	\$150
2	M.A.	10/13/2011	11730	Nail Plate Avulsion	\$150
3	D.A.	2/3/2011	11730	Nail Plate Avulsion	\$150
4	D.A.	10/13/2011	11730	Nail Plate Avulsion	\$150
5	C.M.	8/18/2010	11730	Nail Plate Avulsion	\$150
6	C.M.	1/11/2010	11730	Nail Plate Avulsion	\$150
7	C.M.	3/14/2012	11730	Nail Plate Avulsion	\$150

8	A.B.	1/22/2010	11730	Nail Plate Avulsion	\$110
9	A.B.	2/3/2012	11730	Nail Plate Avulsion	\$136
10	J.B.	1/22/2010	11730	Nail Plate Avulsion	\$110
11	J.B.	2/3/2012	11730	Nail Plate Avulsion	\$136
12	R.D.	6/28/2011	11730	Nail Plate Avulsion	\$150
13	R.D.	8/23/2011	11730	Nail Plate Avulsion	\$150
14	R.D.	12/1/2011	11730	Nail Plate Avulsion	\$150
15	B.B.	12/21/2010	11730	Nail Plate Avulsion	\$150
16	B.B.	5/17/2011	11730	Nail Plate Avulsion	\$150

In violation of Title 18, United States Code, Section 1347.

CRIMINAL FORFEITURE
(18 U.S.C. § 982)

20. The allegations contained in Counts One through Sixteen are re-alleged and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture to the United States of America of any property, real or personal obtained by the defendant, that is, Dr. RICHARD, by commission of

the offenses charged in Counts One through Sixteen pursuant to the provisions of Title 18, United States Code, Sections 982(a)(1) and 982(a)(7).

21. Pursuant to Title 18, United States Code, Section 982(a)(7), upon conviction of Dr. RICHARD for any of the offenses charged in Counts One through Sixteen of this Indictment, the defendant shall forfeit to the United States any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the health care fraud offense.

22. If the property described above as being subject to forfeiture pursuant to Title 18, United States Code, Section 982(a)(7), as a result of any act or omission of the defendant:

- i. cannot be located upon the exercise of due diligence;
- ii. has been transferred or sold to, or deposited with, a third party;
- iii. has been placed beyond the jurisdiction of the Court;
- iv. has been substantially diminished in value; or
- v. has been commingled with other property that cannot be subdivided without difficulty

it is the intent of the United States, pursuant to Title 21, United States Code,

Section 853(p), to seek to forfeit any other property of the defendant up to the listed value.

THIS IS A TRUE BILL.

s/GRAND JURY FOREPERSON

BARBARA L. MCQUADE
United States Attorney

s/WAYNE F. PRATT
Chief, Health Care Fraud Unit

s/JUSTIN B. BIDWELL
Special Assistant United States Attorney
Health Care Fraud Unit
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Bar No.: P64611

Date: April 29, 2014

ORIGINAL

United States District Court
Eastern District of Michigan

Criminal Case Cov

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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 []

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

Case Title: USA v. DR. LAWRENCE B. RICHARD

County where offense occurred : Wayne

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

Indictment --- 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:

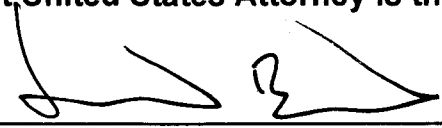
Judge:

- 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.

April 29, 2014
Date


 JUSTIN B. BIDWELL
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¹ 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.