



U.S. Department of Justice

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For Immediate Release:

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Event: Indictments

Defendant: Local Health Care Fraud (40 people)

**MEDICARE FRAUD STRIKE FORCE OPERATIONS LEAD TO CHARGES
AGAINST 58 DOCTORS, HEALTH CARE EXECUTIVES AND BENEFICIARIES
FOR MORE THAN \$50 MILLION IN ALLEGED FALSE BILLING IN DETROIT**

Early Morning Takedown Leads to Arrests in Detroit and Miami

DETROIT - Forty people have been arrested today on charges of being involved in schemes to submit more than \$50 million in false Medicare claims United States Attorney Terrence Berg announced today. Mr. Berg was joined in the announcement by Special Agent in Charge Andrew G. Arena, Federal Bureau of Investigation and Lamont Pugh, III, Special Agent in Charge for the Chicago region of the U.S. Department of Health and Human Services Office of Inspector General, which covers the State of Michigan. The Detroit Health Care Fraud Strike Force, announced by the U.S. Attorney General last month, is the third phase of a targeted criminal, civil and administrative effort against individuals and health care companies that fraudulently bill the Medicare program.

The seven indictments, charging 58 people, were unsealed today in federal court in

Detroit. While the indictments were returned by a grand jury in Detroit, individuals were arrested today in Detroit and Miami as a result of phase three operations of the Strike Force. The joint DOJ-HHS Medicare Fraud Strike Force is a multi-agency team of federal, state and local investigators, including investigators from Blue Cross Blue Shield of Michigan, designed to combat Medicare fraud through the use of Medicare data analysis techniques and an increased focus on community policing.

According to the indictments, the defendants charged today participated in schemes to submit claims to Medicare for treatments that were in fact medically unnecessary and oftentimes, never provided. In many cases, indictments allege that beneficiaries accepted cash kickbacks in return for allowing providers to submit forms saying they had received the unnecessary and not provided treatments. Collectively, the physicians, medical assistants, patients, company owners and executives charged in the indictments are accused of conspiring to submit more than \$50 million in false claims to the Medicare program. The Strike Force operations in Detroit have identified two primary areas – infusion therapy and physical/occupational therapy providers – in which schemes were allegedly orchestrated to defraud the Medicare program.

United States Attorney Berg said, “Combating health care fraud is critical to ensuring the viability of our health care system. Today’s arrests demonstrate that our office and the Department of Justice nationally will not allow doctors or clinic owners to abuse that system and profit from millions of dollars in false billings. The Health Care Strike Force represents an excellent team effort between the U.S. Attorney’s Office, the Justice Department, the FBI, and the Department of Health and Human Services. We are lucky to have such a strike force operating in Detroit, and we have only just begun to fight in terms of attacking the systemic problem of health care fraud in metro-Detroit and the Eastern District of Michigan.”

Special Agent Andrew Arena said, “The arrests today of medical professionals, business owners, Medicare beneficiaries, and their recruiters mark the culmination of several years of dedicated work by the FBI and our investigative partners, Department of Health and Human Services (HHS), Office of the Inspector General. The arrests also trumpets the arrival

of the newly created Motor City Strike Force, a collaboration of FBI and HHS agents, the United States Attorney's Office, and prosecutors from DOJ Main Justice. The message of the Motor City Strike Force is clear. Fraud against the Medicare system and private insurers, committed by individuals or companies in Michigan or moving into Michigan, will not be tolerated. The strike force will be on alert and will aggressively target the dishonest individuals who undermine our Nation's health care system for selfish gain."

"Today's arrests demonstrate the value of aggressive and swift Government response to evolving health care fraud schemes," said Lamont Pugh III, Special Agent in Charge for the Chicago region of the U.S. Department of Health and Human Services Office of Inspector General, which covers the State of Michigan. "The new Detroit strike force demonstrates how the Health Care Fraud Prevention and Enforcement Team (HEAT) is expanding collaborative anti-fraud efforts across government and using cutting edge technology to protect our programs and beneficiaries."

A brief description of the alleged charges are as follows:

- Daisy Martinez, age 50, and owner of Sacred Hope Center, Inc. located in Southfield, Michigan was indicted along with 10 other individuals for allegedly conspiring to submit approximately \$4.2 million in false claims to Medicare for injection and infusion therapy services from approximately July 2006 to March 2007. The indictment alleges that the injection, infusion and other treatments purportedly provided at the clinic were medically unnecessary and were not provided.
- Dulce Briceno, age 56 and owner and operator of Xpress Center, Inc. located in Livonia, Michigan, was indicted along with 6 other individuals for allegedly conspiring to submit approximately \$2.3 million in false claims to Medicare for injection and infusion therapy from approximately October 2006 to March 2007. The indictment alleges that the injection, infusion and other treatments purportedly provided at the clinic were medically unnecessary and were not

provided.

- Suresh Chand, 44 and Jose Castro-Ramirez, MD, 60 were indicted along with 14 others for allegedly conspiring to submit approximately \$18.3 million in false claims to Medicare for physical and occupational therapy services from approximately 2003 to March 2007. The indictment alleges that Chand owned and controlled Continental Rehab Services, Inc (CRS) and Pacific Management Services, Inc. (PM), two contract therapy companies both located in Warren, Michigan. Chand and his co-conspirators billed Medicare for therapy services purportedly provided by CRS and PM through three Medicare providers they controlled. Castro-Ramirez, the indictment alleges, submitted claims to Medicare for home visits purported provided to Medicare beneficiaries allegedly in need of physical therapy, occupation therapy, and other serviced when such visits were never conduction. In addition, Castro-Ramirez is alleged to have signed prescriptions and other documents certifying the need for therapy services for patients he did not exam.
- Jose Rafael Martinez, 33 and Denisse Martinez, 27, were the owner and operator of RDM Center located in Canton, Michigan that purported to specialize in treating patients by providing infusion and injection therapy. Alan Silber, MD, 47, was a medical doctor employed by RDM. They were indicted along with four others for allegedly conspiring to submit approximately \$970,316 in false claims to Medicare for injection and infusion therapy services from approximately 2006 to March 2007. The indictment alleges that Martinez ordered a co-conspirator to order unnecessary tests, make entries in medical records and authorize treatments to make it appear that legitimate medical services, including infusion and injection therapies and other services, were being provided to patients who were Medicare beneficiaries at RDM.
- Caridad Guilaret, 52, and Clara Guilarte, 42, were the owner and operator of Dearborn Medical Rehabilitation Center in Detroit (DMRC) that purported to

specialize in treating patients by providing infusion and injection therapy. They were indicted, along with 4 others for allegedly conspiring to submit approximately \$9.1 million in false claims to Medicare for injection and infusion therapy services from approximately November 2005 to March 2007. The indictment alleges that the injection, infusion and other treatments purportedly provided at the clinic were medically unnecessary and were not provided.

- Bernice Brown, 55, was the owner and operator of Wayne County Therapeutic, Inc. (WCT) located in Livonia, Michigan. Brown, along with 4 other individuals, were indicted for allegedly conspiring to submit approximately \$21.2 million in false claims to Medicare for physical and occupational therapy services from approximately October 2002 to April 2007. The indictment alleges that Brown, through WCT, contracted with companies, such as Universal Rehab Services, Inc.. These contact companies supplied WCT with therapy files that purported to document physical and occupational therapy sessions to Medicare beneficiaries, which never occurred.
- Also indicted were Iftikhar Ghouri, Ehsan Rana, Nasim Ahmed, Rajindera Sachdeva and Venkata rama-Reddy Medapati charged with defrauding Medicare. The indictment alleges that the defendants would create physical and occupational therapy files using information that they had purchased from Medicare beneficiaries or which was stolen. Those files indicated that physical and occupational therapy services were provided to patients when in fact they were not. The defendants submitted approximately \$4 million in fraudulent claims to Medicare. They are currently fugitives.

The charges in the indictments include Health Care Fraud punishable by up to 10 years in prison, Conspiracy to Launder Money and Money Laundering, both punishable by up to 20 years in prison, Destroying records punishable by up to 20 years in prison and Aggravated Identity Theft punishable by up to two years in prison.

The Strike Force operations in Detroit are part of the Health Care Fraud Prevention & Enforcement Action Team (HEAT), a renewed effort announced in May 2009 between the Department of Justice and HHS to focus their joint efforts to prevent fraud and enforce current anti-fraud laws around the country. The HEAT taskforce is made up of top-level law enforcement agents, prosecutors and staff from both Departments and their operating divisions. In the May 2009 announcement, Attorney General Holder and Secretary Sebelius announced the expansion of the Strike Force into Detroit and Houston to build upon existing partnerships between the agencies in a heightened effort to reduce fraud and recover taxpayer dollars.

The work of the Detroit Strike Force is another important step in the multi-phase enforcement and regulatory HEAT initiative designed to reduce the potential for Medicare and Medicaid fraud. Since its inception in March 2007 with phase one in South Florida and expansion to phase two in Los Angeles in May 2008, the Strike Force has obtained indictments of more than 250 individuals and organizations that collectively have billed the Medicare program for more than \$600 million. 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.

Each of the three Detroit Strike Force teams is led by a federal prosecutor supervised by the Justice Department's Criminal Division's Fraud Section in Washington, D.C., and the U.S. Attorney's Office for the Eastern District of Michigan. Each team has four to six agents, with at least one agent from the FBI and HHS-OIG.

The cases are being prosecuted by Assistant United States Attorney F. William Soisson of the United States Attorney's Office, Eastern District of Michigan and attorneys from the Fraud Section in the Justice Department's Criminal Division, including Deputy Chief Kirk Ogrosky and Trial Attorneys John K. Neal and Benjamin D. Singer as well Special Assistant U.S. Attorney Thomas W. Beimers in the U.S. Attorney's Office for the Eastern District of Michigan, on detail from HHS-OIG.

An indictment is merely an allegation, and defendants are presumed innocent until and unless proven guilty.

To learn more about the HEAT team, go to: www.hhs.gov/stopmedicarefraud