

NEWS

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Government Sues Another Cardiologist to Recover Fraudulent Receipt of Salary at UMDNJ

(More)

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NEWARK – In its continuing prosecution of fraudulent contracts at the University of Medicine and Dentistry of New Jersey, the U.S. Attorney’s Office filed a lawsuit today against a private-practice cardiologist to recover \$210,000 in damages for taking salary from the University while improperly referring cardiac patients, U.S. Attorney Christopher J. Christie announced.

The civil Complaint – the second of its kind filed against a cardiologist in the past week – alleges that Dr. Joseph Campbell, 47, of Orange, exploited a program at UMDNJ’s University Hospital designed to bring in more cardiac surgery patients. The defendant, while referring patients from his practice to the hospital, was under contract to perform duties at the hospital, including teaching and clinical duties.

The civil Complaint alleges that Campbell signed an employment contract in January 2003 to serve as a Clinical Assistant Professor with an annual salary of approximately \$75,000. In exchange, Campbell was obligated to perform specific teaching, research and patient-care duties at the Newark hospital. Instead, Campbell merely referred patients to the hospital, performed little to none of the duties he was supposed to do, yet collected payments from UMDNJ totaling approximately \$70,000 for 2003.

According to the civil Complaint, in 2003, the federal Medicare program paid more than \$55,000 for cardiac-related procedures that were performed at University Hospital on patients referred from Campbell’s private practice.

The civil lawsuit charges violations of the federal “Stark Statute,” which would prohibit referral of Medicare patients to University Hospital at the same time Campbell had a financial relationship with the hospital. The submission of false claims based on the prohibited financial relationship was in violation of the federal False Claims Act, which allows the government to seek triple damages in such cases.

Consequently, the government is seeking three times the amount of the \$70,000 salary received by Campbell. The government is also seeking from Campbell three times the \$55,000 in Medicare payments.

In February, two other private-practice cardiologists, Bakul Desai, 55, of Livingston, and Laxmipathi Garipalli, 59, of Colts Neck, pleaded guilty in federal court to criminal embezzlement charges for engaging in the same fraudulent conduct and taking salaries totaling \$840,000 between them. (Follow this link to the Public Affairs Office website and the Feb. 28 news release: <http://www.usdoj.gov/usao/nj/press/2008releases.html>).

At the time of his guilty plea, Garipalli had already paid the government approximately \$560,000, which constitutes double damages, to resolve his civil liability related to the scheme, and the government has since filed a civil action against Desai.

Last Thursday, the government filed a similar complaint against Dr. Atul Prakash, 47, of Cedar Grove, seeking over \$2.5 million in damages for violating the Stark Act and the False Claims Act.

UMDNJ's University Hospital is a state-licensed Level 1 Trauma Center. To maintain funding and accreditation from the state, University Hospital was dependent on the annual performance of a certain number of cardiac procedures, including cardiac catheterizations and cardiothoracic surgery. Beginning in at least 1995, however, University Hospital was failing in this regard.

To remedy the problem, according to the charges, UMDNJ and certain of its administrators undertook a program to bring in more cardio surgery patients through part-time employment contracts with a number of community cardiologists. Those doctors, including Desai, Garipalli, Prakash and Campbell, had their own private practices and significant numbers of patients whom they could refer to University Hospital.

The UMDNJ contracts with the community cardiologists required them to work part-time at University Hospital as Clinical Assistant Professors, and to perform bona fide services, such as teaching at UMDNJ's medical school, providing on-call coverage, attending weekly conferences, lecturing, and supporting UMDNJ's research efforts, among other things.

For the criminal investigation and resulting civil prosecutions, Christie credited Special Agents of the U.S. Department of Health and Human Services Office of Inspector General, under the direction of Special Agent in Charge Gary Heuer of the New York Regional Office; Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun in Newark; Inspectors with the U.S. Postal Inspection Service, under the direction of Postal Inspector in Charge David L. Collins; and Special Agents of the IRS Criminal Investigations Division, under the direction of Special Agent in Charge William P. Offord, for the investigation leading to today's guilty pleas. Christie also thanked the Social Security Administration Office of Inspector General, under the direction of Special Agent in Charge Edward J. Ryan in New York, for its assistance.

The civil case against Campbell is being prosecuted by Assistant U.S. Attorney Alex Kriegsman of the U.S. Attorney's Office Civil Division.

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Defense counsel for Campbell: Joseph Gorrell, Esq., Roseland

