

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
970 Broad Street, Seventh Floor  
Newark, New Jersey 07102

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***Christopher J. Christie, U.S. Attorney***

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***More Information?*** Call the Assistant U.S. Attorney or other contact listed below to see if more information is available.

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Contact:  
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prak0417.rel  
FOR IMMEDIATE RELEASE  
April 17, 2008

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Government Sues Cedar Grove Cardiologist  
to Recover Fraudulent Receipt of Salary at UMDNJ

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(More)

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NEWARK – The U.S. Attorney’s Office has filed a lawsuit against a private-practice cardiologist to recover \$357,000 in damages for taking salary from the University of Medicine and Dentistry of New Jersey while improperly referring cardiac patients, U.S. Attorney Christopher J. Christie announced.

The civil Complaint filed Wednesday alleges that Dr. Atul Prakash, 47, of Cedar Grove, 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 Prakash signed an employment contract in January 2004 to serve as a Clinical Assistant Professor with an annual salary of approximately \$150,000. In exchange, Prakash was obligated to perform specific teaching, research and patient-care duties at the Newark hospital. Instead, Prakash 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 \$119,000 for 2004.

According to the civil Complaint, in 2004, the federal Medicare program paid more than \$794,000 for cardiac-related procedures that were performed at University Hospital on more than 30 patients referred from Prakash’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 Prakash 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 \$119,000 salary received by Prakash. The government is also seeking from Prakash three times the \$794,000 in Medicare payments.

“These fraudulent contracts are another example of why UMDNJ earned our very close scrutiny,” said Christie. “There are still others who engaged in the same conduct, and we will use both criminal and civil remedies as needed to achieve justice and the return of money received by fraud from the Medicare program.”

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.

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 and Prakash, 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 Prakash 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 Prakash: Sean Buckley, Esq., Princeton

