

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
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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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FOR IMMEDIATE RELEASE

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## Four Cardiologists Settle with Government Over Improper Salaries Received from UMDNJ

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(More)

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NEWARK – The U.S. Attorney’s Office has entered into settlements totaling approximately \$387,000 with four cardiologists to recover salaries improperly received from the University of Medicine and Dentistry of New Jersey, U.S. Attorney Christopher J. Christie announced.

Federal law prohibits a doctor from receiving a salary in exchange for referring patients. In the past three weeks, the U.S. Attorney’s Office has filed two lawsuits seeking to reclaim the salaries and damages against surgeons who are alleged to have fraudulently exploited a program at UMDNJ’s University Hospital designed to bring in more cardiac surgery patients. Two other cardiologists also recently pleaded guilty to criminal embezzlement charges. The U.S. Attorney’s Office is continuing its investigation and pursuing those who received payment under fraudulent contracts.

“We will continue to pursue those who make referrals based on financial considerations, rather than patient health,”Christie said.

The four settlements forgo the need to file suit against these doctors to recover the salaries. The four settlements involve cardiologists who were receiving salaries in exchange for improperly referring patients; or improperly receiving a salary, while performing little or no services in return.

Settlements were signed over the last week with Dr. Trevor Atherley of Watchung, for approximately \$180,000; Dr. Joven Dungo of Caldwell (signed today), for approximately \$138,000; and Dr. Abdul Ameen of Bayonne, for approximately \$38,000. On April 14, a settlement was signed with Dr. Michael Benz of Nutley for approximately \$30,000.

For Dungo, who the Government contends improperly referred patients to University Hospital in 2006, the settlement represents twice the amount of the salary he received. For Atherley, Abdul Ameen and Michael Benz, the settlements represent the full amount of salaries the Government contends they received in exchange for performing little or no services.

The civil lawsuits filed in the last two weeks against Dr. Joseph Campbell, 47, of Orange, and Dr. Atul Prakash, 47, of Cedar Grove, charged violations of the federal “Stark Statute,” which would prohibit referral of Medicare patients to University Hospital at the same time the doctors had financial relationships 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 salaries received by Campbell and Prakash, and three times the Medicare payments attributed to their referrals.

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.

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 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 cases and resulting settlements are being handled by Assistant U.S. Attorney Alex Kriegsmann of the U.S. Attorney's Office Civil Division.

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