



Paul J. Fishman, U.S. Attorney

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Assistant U.S. Attorneys: Ronald Chillemi 973-645-6546 Joseph Mack 973-645-2824 desa0305.rel FOR IMMEDIATE RELEASE Mar. 5, 2010

Orthopaedic Surgeon Pleads Guilty in Consulting Agreement Scheme

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Public Affairs Office

973-645-2888

Dr. Shekhar Desai, 52, of Indialantic, Florida, pleaded guilty before U.S. District Judge Dickinson R. Debevoise, to a one-count Information charging him with conspiring to commit wire fraud. Judge Debevoise set bail at \$100,000 and permitted the defendant's release pending sentencing, which is scheduled for June 21, 2010 at 2:00 p.m.

At his plea hearing, Dr. Desai admitted that in or about September 2003, he entered into a consulting agreement with DePuy Orthopaedics, Inc, a subsidiary of Johnson & Johnson. Pursuant to that consulting agreement, Desai was to be paid for performing certain consulting services, including training sessions and operating room sessions. However, Desai admitted that from July 2004 through November 2005, he submitted invoices and requested payments from the J & J subsidiary for consulting services he never performed. Through his plea, Desai admitted that he received more than \$70,000 and up to \$120,000 in payments to which he was not entitled.

"This defendant defrauded the victims out of tens of thousands of dollars, money which was intended to improve the delivery of health care services to patients, but instead was wrongfully used to line his own pockets," said Fishman. "This Office, the Department of Justice, and the Department of Health and Human Services will continue to, when appropriate, aggressively investigate and prosecute such crimes, to root out fraud in the nation's healthcare system."

The defendant faces a maximum sentence of five years' imprisonment and a \$250,000 fine. In addition, Judge Debevoise must order that Desai make restitution to the victims of his crime.

In determining the actual sentence, Judge Debevoise will consult the advisory United States Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The Judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Fishman credited special agents with the U.S. Department of Health and Human Services Office of Inspector General, under the direction of Special Agent in Charge Tom F. O'Donnell, and Postal Inspectors of the U.S. Postal Inspection Service, under the direction of David L. Collins, for this successful investigation.

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