

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
402 East State Street, Room 430  
Trenton, New Jersey 08608

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

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

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ikeh0305.rel  
FOR IMMEDIATE RELEASE  
March 5, 2007

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Owner of Physical Therapy Clinics in Ewing and  
Cherry Hill Pleads Guilty to Multi-Million Dollar Medicare Fraud

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(More)

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TRENTON – The owner of two physical therapy clinics admitted defrauding Medicare of approximately \$3.8 million, U.S. Attorney Christopher J. Christie announced.

Chidi Ikeh, 44, of Houston, Texas, entered his guilty plea just before his trial was to begin in U.S. District Court in Trenton before Judge Garrett E. Brown, Jr., who scheduled sentencing for June 11, 2007. Judge Brown continued Ikeh's detention until sentencing.

Ikeh, who owned and operated Vital Health Care Services (Vital), in Ewing, and U.S. Vital Health Care Services, Inc. (U.S. Vital), in Cherry Hill, admitted that from February 2002 until August 2005, he billed Medicare for claims worth approximately \$6.7 million, and received approximately \$3.79 million, for physical therapy services, evaluations, and re-evaluations allegedly provided to patients, which were false in one or more ways.

Ikeh admitted that his scheme was to submit false and fraudulent claims to Medicare which represented that physical therapy services were provided by and/or under the supervision of a licensed physician, when in fact, such services were either never performed, were not supervised by a licensed physician or were performed by unqualified individuals. In fact, Ikeh admitted that he had van drivers, receptionists and others who had no qualifications, licensing or certification in physical therapy – as required by law – perform physical therapy on Medicare patients.

Ikeh admitted that he fraudulently obtained the money from Medicare by failing to have a licensed physician on site at all times that physical therapy was being performed at Vital; instructing the individuals who performed the physical therapy to indicate in the medical records that they performed certain physical therapy procedures on patients when, in fact, no such procedure was performed; by providing patients with money, food, and raffle prizes in an effort to induce them to either continue with or return for therapy at Vital; and by failing to have licensed physical therapists perform the physical therapy on the patients.

Ikeh was arrested on September 15, 2006 by federal agents on a federal Indictment when he returned from his native country Nigeria, to his hometown of Houston.

Ikeh pleaded guilty to one count of health care fraud, which carries a maximum penalty of 10 years in prison and a fine of \$250,000 or twice the gross amount of any pecuniary gain derived or loss sustained from the offense, which ever is greatest. The defendant also pleaded guilty to one count of wire fraud, which carries a maximum penalty of 20 years in prison and a fine of \$250,000, or twice the gross amount of any pecuniary gain derived or loss sustained from the offense, which ever is greatest.

In determining the actual sentence, Judge Brown will consult the advisory U.S. 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.

Christie credited Special Agents with the Department of Health and Human Services - Office of Inspector General and the Federal Bureau of Investigation's Cherry Hill Resident Agency, under the direction of Special Agent in Charge J.P. Weis, Philadelphia Division, with the investigation leading to the Indictment.

The Government is represented by Assistant U.S. Attorney Peter Katz of the Criminal Division in Trenton.

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Defense Attorney: Christopher Choate, Esq.     Houston, Texas