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CHICAGO AREA DERMATOLOGIST AND PSYCHOLOGIST CHARGED IN NATIONWIDE MEDICARE FRAUD STRIKE FORCE TAKEDOWN

Total of 91 Defendants Charged Nationwide for Submitting Approximately $430 Million in False Billing

CHICAGO — An area dermatologist and a psychologist were charged this week with engaging in separate health care fraud schemes to defraud the Medicare program and/or private health insurers of millions of dollars, federal law enforcement officials announced today. Also today, a co-owner of a former south suburban home health care business was convicted of a federal charge, a week after the other co-owner was convicted of health care fraud by a federal jury.

The Chicago charges are part of a nationwide takedown by Medicare Fraud Strike Force operations in seven cities, announced today by the Departments of Justice and Health and Human Services, that led to charges against 91 defendants for their alleged participation in schemes to collectively submit approximately $429.2 million in fraudulent claims.

In Chicago, two defendants were charged in separate indictments filed yesterday and Tuesday in U.S. District Court. One defendant, a licensed psychologist, was charged with health care fraud for allegedly over-billing the Medicare program, while the dermatologist was charged with mail and wire fraud for defrauding Medicare and private health insurance companies.

"Today's enforcement actions reveal an alarming and unacceptable trend of individuals attempting to exploit federal health care programs to steal billions in taxpayer dollars for personal gain," said Attorney General Holder. "Such activities not only siphon precious taxpayer resources, drive up health care costs, and jeopardize the strength of the Medicare program — they also disproportionately victimize the most vulnerable members of society, including elderly, disabled and impoverished Americans."

"These cases ought to be taken as a warning that dishonest medical providers ought to think twice before cheating Medicare and private insurers," said Gary S. Shapiro, Acting United States Attorney for the Northern District of Illinois.

Details of the Chicago cases follow:

United States v. Robert Kolbusz

Dr. Robert Kolbusz, a dermatologist in Downers Grove, was charged in a seven-count indictment returned yesterday with defrauding Medicare and private health insurance companies by submitting false claims for hundreds of patients resulting in millions of dollars of losses. Kolbusz falsely diagnosed patients with actinic keratosis, or sun-induced skin lesions that have the potential to become cancerous, and then billed Medicare, Blue Cross Blue Shield of Illinois, Aetna, and Humana for treatments that were ineffective and falsely documented.

Kolbusz, 55, of Oak Brook, was charged with four counts of wire fraud and three counts of mail fraud. He will be arraigned at a later date in U.S. District Court.

Between 2003 and 2010, Kolbusz allegedly falsely documented patients' charts to support medically unnecessary, cosmetic treatments that he ordered. In some instances, he falsely documented the removal of more than 1,000 lesions from patients over several years of treatment, according to the indictment.

The government is represented by Assistant U.S. Attorneys Stephen Lee and Tinos Diamantatos. The case was investigated by the Federal Bureau of Investigation and the Health and Human Services Office of Inspector General (HHS-OIG.)

United States v. Sharon A. Rinaldi

Sharon A. Rinaldi, a licensed psychologist in Illinois, was charged in a five-count indictment returned on Tuesday with defrauding Medicare by submitting thousands of false claims for providing psychotherapy services to Medicare beneficiaries residing in skilled nursing homes in the Chicago area.

Rinaldi, 57, of Inverness, was charged with five counts of health care fraud. She is scheduled to be arraigned on Oct. 10 in U.S. District Court. The indictment also seeks forfeiture of more than $100,000 that was seized from her home and a personal bank account.

According to the indictment, between December 2008 and August 2012, Rinaldi claimed that she provided services to Medicare beneficiaries who were deceased at the time; that she provided services on certain dates when she was in other locations, such as Las Vegas and San Diego; and she inflated the number of hours that she had provided services on particular dates, often exceeding 24 hours in a single day.

The government is represented by Assistant U.S. Attorneys Paul Tzur. The case was investigated by the FBI and the HHS-OIG.

United States v. Khalil, et al.

In the home health care fraud case, which was indicted last year, a federal jury last week convicted **Bhair Haj Khalil**, the co-owner and executive manager of House Call Physicians LLC in Palos Hills, of six counts of health care fraud for submitting false claims totaling more than $2.5 million to Medicare, resulting in losses of more than $1.15 million.

Khalil, 34, formerly of Palos Hills and who is in federal custody, and his business partner, **Mohammed Khamis Rashed**, 46, of Chicago, were also convicted of visa fraud for attempting to illegally obtain a work visa for Khallil. After a trial for both defendants last month, Khalil was convicted by a jury on Sept. 25, while Rashed's case was tried by U.S. District Judge Charles Kocoras, who issued his guilty verdict today. A third defendant, **Paschal U. Oparah**, a suspended podiatrist, pleaded guilty in the case last spring. All three are scheduled to be sentenced in December.

Evidence in the case showed that the fraud scheme involved billing for home health services as if they were performed by physicians when they were actually performed by physicians' assistants; billing for podiatry services that were actually performed by Oparah, whose license was suspended; and falsely certifying that patients were eligible for home health services when they were not and causing medically unnecessary tests to be provided to Medicare beneficiaries.

The government is represented by Assistant U.S. Attorneys Patrick Otlewski and Ryan Hedges. The case was investigated by the FBI, the HHS-OIG, and the U.S. Department of Labor Office of Inspector General.

The charges in these cases carry the following maximum penalties on each count: health care fraud and visa fraud — 10 years in prison, and mail and wire fraud — 20 years in prison, and a $250,000 maximum fine, or an alternate fine totaling twice the loss or twice the gain, whichever is greater. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory United States Sentencing Guidelines.

The Medicare Fraud Strike Force operations, which expanded to Chicago in February 2011, are part of the Health Care Fraud Prevention & Enforcement Action Team (HEAT), a joint initiative announced in May 2009 between the Department of Justice and HHS to focus their efforts to prevent and deter fraud and enforce current anti-fraud laws around the country. Since their inception in March 2007, Strike Force operations in nine locations have charged more than 1,480 defendants who collectively have falsely billed the Medicare program for more than $4.8 billion. In addition, the HHS Centers for Medicare and Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

The results of the nationwide takedown were announced today by Attorney General Holder, HHS Secretary Kathleen Sebelius, Assistant Attorney General Lanny A. Breuer of the Criminal Division, FBI Associate Deputy Director Kevin Perkins, Inspector General Daniel R. Levinson of the HHS-OIG, and Dr. Peter Budetti, Deputy Administrator for Program Integrity of the Centers for Medicare and Medicaid Services (CMS). Mr. Shapiro announced the Chicago charges together with William C. Monroe, Acting Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation, and Lamont Pugh III, Special Agent-in-Charge of the Chicago Regional Office of the HHS-OIG.

The public is reminded that indictments contain only charges and are not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

To learn more about the Health Care Fraud Prevention and Enforcement Action Team (HEAT), go to: www.stopmedicarefraud.gov .

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