

NEWS

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Trenton Doctor Indicted for Tax Evasion involving Alleged Kickbacks and Capitation Agreement Payments

(More)

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TRENTON – A Trenton doctor was indicted today on charges of tax evasion for not claiming and paying taxes owed on income he gained through an alleged kickback scheme with a laboratory, a capitation agreement with a health insurer and a loan agreement with a hospital, Acting U.S. Attorney Ralph J. Marra, Jr., announced.

The two-count federal Indictment charges Dr. Demetrios Perdikis, 40, of Newtown, Pa., with attempting to evade federal income taxes due on income totaling \$168,276 for tax years 2002 and 2003. The Indictment alleges that Perdikis did not claim as income money he received from a Pennsylvania laboratory and through agreements with Horizon Health Insurance Company (“Horizon”) and Robert Wood Hospital (“RWJH”).

According to the Indictment, Perdikis was employed in 2002 and 2003 by Mercerville Medical Associates (“MMA”) in Trenton, and was working toward becoming a partner in the medical practice.

The Indictment describes a scheme in which the defendant allegedly received kickback payments from Nu-Tek Diagnostic Lab (“Nu-Tek”), located in Langhorne, Pa., in return for sending patients’ blood samples to Nu-Tek for scientific testing. According to the Indictment, Perdikis received approximately \$33,000 in 2002, and \$27,000 in 2003 that he did not claim on his tax returns for those years. According to the Indictment, Perdikis used the funds to buy into the MMA partnership.

Furthermore, the Indictment describes how capitation agreement payments from Horizon to MMA were deposited directly into a bank account in the names of the partners of MMA (“Capitation Account”), rather than MMA’s medical practice account. The payments were then made from the Capitation Account to MMA doctors.

Health care providers, such as MMA, sometimes sign capitation agreements with health insurance companies, such as Horizon, whereby it is agreed that certain medical services will be provided to individuals insured by the health insurance company for a fixed cost. The fixed payment is paid by the health insurance company to the medical services provider regardless of whether the patients actually seek medical care or not.

In 2002 and 2003, MMA had a capitation agreement with Horizon which called for Horizon to pay between \$8,000 and \$10,000 per month to MMA. According to the Indictment, Perdikis received approximately \$24,000 and \$30,105 during 2002 and 2003, respectively, which reflected his portion earned pursuant to the Capitation Agreement.

In February 2000, in contemplation of Perdikis’ hiring, MMA entered into a loan agreement with RWJH, whereby RWJH agreed to lend MMA \$150,000 which was to be paid to MMA in monthly installments of approximately \$4,166. According to the Indictment, the loan agreement between MMA and RWJH included a loan forgiveness provision whereby

repayment of the loan would be forgiven in exchange for medical services providing by Perdikis for three hours per week over a three-year period on behalf of RWJH. Again, the monthly proceeds from the loan were not deposited into MMA's business account, but rather were deposited into the Capitation Account. Allegedly, during 2002 and 2003 Perdikis received approximately \$41,670 and \$12,501, respectively, from the Capitation Account reflecting his shareportion of the proceeds earned pursuant to the loan agreement. The Indictment alleges Perdikis failed to claim these payments on his tax return.

Mercerville Medical Associates has pleaded guilty to a charge of obstructing a healthcare fraud investigation. Three of MMA's doctors, Louis Tsarouhas, 47, of Hopewell Township, Giacomo Mangiaracina, 46, of Langhorne, Pa., and Brian Shaffer, 52, of Pennington, have each pleaded guilty to tax evasion charges in connection the kickback scheme involving Nu-Tek.

Each count of tax evasion carries a maximum penalty of 5 years in prison and a fine of \$100,000.

In determining an actual sentence, the judge to whom the case is assigned would, upon a conviction, 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.

Despite indictment, all the defendants are presumed innocent unless proven guilty beyond a reasonable doubt.

Marra credited Special Agents of the IRS Criminal Investigation, under the direction of Special Agent in Charge William P. Offord; FBI's Trenton Resident Agency, under the direction of Special Agent in Charge Weysan Dun; and the U.S. Health and Human Services - Office of Inspector General, under the direction of Special Agent in Charge Keith Gordon, N.Y. Regional Office, with the investigation leading to the Indictment.

The government is represented by Assistant U.S. Attorney Charles B. McKenna, Chief of the Criminal Division.

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