

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
970 Broad Street, Seventh Floor  
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***Marc Larkins, Acting First Assistant 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  
Sept. 30, 2009

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## UMDNJ to Pay More Than \$8 Million to Settle Kickback Case Related to Cardiology Program

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(More)

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NEWARK – The University of Medicine and Dentistry of New Jersey has agreed to pay the government approximately \$8.3 million to settle allegations that it illegally paid kickbacks to cardiologists and caused the submission of false claims to Medicare, Acting First Assistant U.S. Attorney Marc Larkins announced today.

The settlement forgoes the need to file suit against UMDNJ. The settlement amount represents double damages for all monies paid out by Medicare based on improper physician referrals and kickbacks paid to the physicians.

UMDNJ also entered into a Corporate Integrity Agreement with the United States Department of Health and Human Services. The Corporate Integrity Agreement includes multiple levels of Annual Reviews by HHS, intended to prevent the type of fraudulent conduct that occurred in this case from recurring in the future. The Corporate Integrity Agreement also requires UMDNJ to form a Board Committee to strengthen compliance efforts.

Federal law prohibits a hospital or other health care provider from paying a doctor a salary in exchange for referring patients. 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.

The government alleged that beginning in 1995, 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. But in fact, the government alleges that it was understood that these services would not be performed by the cardiologists. Instead, the cardiologists were being paid to refer patients to University Hospital.

To date, the U.S. Attorney's Office has reached settlements with nine cardiologists who had allegedly suspect employment contracts with UMDNJ. Two of these cardiologists also pleaded guilty to criminal embezzlement charges in connection with the employment contract scheme. The U.S. Attorney's Office has also filed civil suit against two other cardiologists who had allegedly illegal employment contracts with UMDNJ.

“The United States Attorney’s Office will continue its pursuit of any physicians or institutions who make referrals based on financial considerations rather than patient health,” Larkins said.

Earlier this month, the U.S. Attorney’s Office entered into civil settlement agreements with three cardiologists involved in the program: Dr. Ravindra Patel of Scotch Plains; Dr. Jasjit Walia of Edison; and Dr. Rakesh Sahni of Rumson. In 2008, the U.S. Attorney’s Office entered into similar agreements with: Dr. Trevor Atherley of Watchung; Dr. Joven Dungo of Caldwell; Dr. Abdul Ameen of Bayonne; Dr. Michael Benz of Nutley; Dr. Bakul Desai of Livingston; and Dr. Laxmipathi Garipalli of Colts Neck. The Office also filed lawsuits against Dr. Joseph Campbell of Orange, and Dr. Atul Prakash, of Cedar Grove, based on the same conduct. These two actions are currently being litigated.

In February of 2008, Desai and Garipalli, pleaded guilty in federal court to criminal embezzlement charges for engaging in the same fraudulent conduct and taking salaries totaling \$840,000 between them.

Larkins 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 Thomas O’Donnell of the New York Regional Office; and Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun in Newark, for the investigation leading to today’s settlement.

The civil cases have been handled by Assistant U.S. Attorney Alex Kriegsman of the U.S. Attorney’s Office Civil Division, with assistance from Arthur Di Dio of the Department of Justice’s Civil Division in Washington.

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Defense Counsel for UMDNJ: Walter Timpone, Esq., Morristown