



*United States Attorney  
Southern District of New York*

**FOR IMMEDIATE RELEASE**

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**U.S. SETTLES FALSE CLAIMS ACT SUIT AGAINST FORMER DOCTOR**  
**CONVICTED OF MEDICARE FRAUD**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today that SHAUL DEBBI, a former ophthalmologist, has agreed to pay \$1,015,817 to resolve both civil fraud charges and a remaining criminal restitution obligation to the United States based on his filing false statements with Medicare to obtain reimbursement to which he was not entitled. The settlement was presented today to United States District Judge PAUL A. CROTTY for approval.

According to the civil complaint and superseding indictment, DEBBI's medical practice consisted of treating patients in adult homes in New York City and Long Island. These adult homes are long-term residential facilities housing individuals who suffer from various disabilities, including mental and emotional disabilities. Both the civil complaint and superseding indictment charge that: (i) DEBBI submitted false claims to Medicare for ophthalmological services he purportedly provided to the residents of the adult homes, and (ii) DEBBI also arranged for a physician's assistant he employed to examine residents in the adult homes when DEBBI was not there, and (iii) subsequently billed Medicare for services provided by the physician's assistant as if DEBBI himself had performed the services.

On May 19, 2003, DEBBI pleaded guilty to federal criminal charges relating to the same conduct and surrendered his medical license. At sentencing, United States District Judge JED S. RAKOFF stated that DEBBI's fraud was "particularly difficult to detect" because the fraud involved "elderly and often mentally disabled persons." He also noted that DEBBI's crime "calls out for the significant deterrent effect of prison time" and thus "requires meaningful prison time." DEBBI was sentenced by Judge RAKOFF to 33 months in prison, and ordered to pay \$885,030 in restitution to the Medicare program. He described DEBBI's crime as "a fraud extending over a lengthy period of time that defrauded the government under any analysis of hundreds of thousands of dollars, if not more."

DEBBI subsequently failed to make these restitution payments as provided in the criminal judgment. Thereafter, the Government filed applications seeking garnishment of DEBBI's bank accounts, including individual retirement accounts ("IRAs") at Merrill Lynch and Smith Barney. The District Court granted the Government's applications, and DEBBI's IRAs were liquidated. The Government collected more than \$565,000 from these accounts. DEBBI remained responsible for the balance of the criminal judgment.

While these criminal proceedings were pending, the Government filed a civil complaint seeking the balance of the restitution, as well as civil damages and penalties. The civil complaint alleged that DEBBI submitted fraudulent claims to the Medicare program seeking reimbursement for (i) medically unnecessary eye exams and procedures; (ii) eye procedures which were never performed; (iii) routine eye exams that were not reimbursable by Medicare; and (iv) medical services that DEBBI claimed he provided when the services were in fact provided by a physician's assistant.

The False Claims Act provides that a judgment in any criminal proceeding charging fraud or false statements, such as in this case, prevents a defendant, such as DEBBI, from denying the essential elements of the offense in any civil action which involves the same conduct as in the criminal proceedings.

The settlement resolves DEBBI'S outstanding restitution in the criminal case as well as the claims in the civil case. Under the terms of the settlement, DEBBI is required to pay a total of \$1,015,817 to the United States.

"Whenever a provider steals from the Medicare program he or she is accountable both civilly and criminally under the law," said Mr. GARCIA. "The Government will use all the tools at its disposal to ensure that our limited healthcare resources are not squandered."

MR. GARCIA thanked the Federal Bureau of Investigation for its assistance with this investigation.

Assistant United States Attorneys RUSSELL M. YANKWITT and KATHLEEN A. ZEBROWSKI are in charge of the civil case and PAUL B. RADVANY is in charge of the criminal case.

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