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September 14, 2011

DURABLE MEDICAL EQUIPMENT COMPANY AND OWNER SENTENCED IN MEDICARE FRAUD AND KICKBACK SCHEME

PHILADELPHIA – Robert Saul, 38, of Philadelphia, was sentenced yesterday to 66 months in prison for a medicare fraud and kickback scheme involving his company, R&V Medical Supplies, LLC (“R&V”), also located in Philadelphia, announced United States Attorney Zane David Memeger. Saul pleaded guilty June 3, 2011 to conspiracy, 48 counts of health care fraud, six counts of mail fraud, 47 counts of paying illegal kickbacks, and three counts of obstruction of justice. In addition to the prison term, U.S. District Court Judge Gene E. K. Pratter ordered restitution in the amount of \$845,000, three years of supervised release for Saul to include 100 hours of community service per year, a fine of \$10,000 and a special assessment of \$10,500. The company was sentenced to five years probation, a fine of \$8,000, and a special assessment of \$42,000.

R&V was a supplier of durable medical equipment. In order to develop business, Saul and his wife, Sheila, 53, paid kickbacks to various people - most of whom worked in physician offices, social service or health care agencies - in exchange for the personal identifying information of Medicare beneficiaries. The kickback amounts were based on the amounts and types of DME ordered for each particular beneficiary, with power wheel chairs garnering the highest kickback payments, and were usually not paid until R&V was reimbursed by the health care benefit program. Saul and R&V admitted to submitting at least \$845,000 in fraudulent claims for reimbursement for durable medical equipment (“DME”).

In addition to developing business through the payment of kickbacks to outside referral sources, Saul reviewed R&V's files and ordered additional DME - without regard for medical necessity - for patients whom R&V had previously supplied. At the request of Saul, employees of R&V drew up physician orders, product descriptions, letters of medical necessity, and face-to-face examination pages, and sometimes forged physician signatures on those documents.

Robert Saul also attempted to confuse beneficiaries as to the origin of the DME ordered on their behalf by falsely telling them, among other things, that the City of Philadelphia was giving out free medical supplies that they were qualified to receive, or that their physicians had approved them for DME at no cost to the patient. Saul also instructed R&V's employees to lie to federal agents if questioned about the illegal kickbacks and forgeries.

Saul's co-defendants: Sheila Saul, Lisa Burnett, Carol Mason, Susan Landolf, and Debra Stallings, have also pleaded guilty and are awaiting sentencing.

The case was investigated by the Federal Bureau of Investigation, United States Department of Health & Human Services, Office of Inspector General, and the United States Postal Inspection Service and is being prosecuted by Assistant United States Attorney Mary Kay Costello.

TO REPORT MEDICARE FRAUD:

Hotline: (800) HHS-TIPS ((800) 447-8477)
E-mail: HHSTips@oig.hhs.gov
Fax: (800) 223-8164
Mail: Office of Inspector General
U.S. Department of Health and Human Services
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