

JUSTICE NEWS

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Mastermind of \$11 Million Detroit Medicare Fraud Scheme Sentenced to 50 Months in Prison

Muhammad Shahab, the mastermind of an almost \$11 million Medicare fraud scheme in Detroit, was sentenced today to 50 months in prison.

Acting Assistant Attorney General Mythili Raman of the Justice Department's Criminal Division, U.S. Attorney for the Eastern District of Michigan Barbara L. McQuade, Special Agent in Charge Robert D. Foley III of the FBI's Detroit Field Office and Special Agent in Charge Lamont Pugh III of the U.S. Department of Health and Human Services Office of Inspector General (HHS-OIG) Chicago Regional Office made the announcement.

Shahab, 53, was sentenced by U.S. District Judge Denise Page Hood in the Eastern District of Michigan. In addition to his prison term, Shahab was sentenced to three years of supervised release and was ordered to pay more than \$10.8 million in restitution, jointly and severally with his co-defendants.

Shahab pleaded guilty to one count of health care fraud in February 2010. According to information contained in plea documents, Shahab helped finance and establish two Detroit-area home health agencies, Patient Choice Home Healthcare Inc. (Patient Choice) and All American Home Care Inc. (All American). Shahab admitted that while operating or being associated with both home health agencies, he and his co-conspirators billed Medicare for home health visits that never occurred.

Shahab admitted that he and his co-conspirators recruited and paid cash kickbacks and other inducements to Medicare beneficiaries in exchange for the beneficiaries' Medicare numbers and signatures on documents falsely indicating that they had visited Patient Choice and All American for the purpose of receiving physical or occupational therapy. Shahab admitted that a large number of the beneficiaries were neither homebound nor in need of any physical therapy services.

Shahab also admitted to securing physician referrals for medically unnecessary home health services through the payment of kickbacks to physicians or individuals associated with physicians. Shahab employed several physical therapists and physical therapy assistants to sign medical documentation needed to begin billing for home health care services, including initial payments and payments for each visit to a Medicare beneficiary. Shahab acknowledged that he knew the physical therapists and physical therapy assistants were not actually conducting a large majority of the visits or treating a large majority of the patients, and confessed to billing and receiving payment from Medicare for services not rendered or medically unnecessary services.

Between approximately August 2007 and October 2009, Shahab and his co-conspirators at Patient Choice and All American submitted approximately \$10.8 million in claims to the Medicare program for physical and occupational therapy services that were never rendered or were medically unnecessary.

This case was investigated by the FBI, HHS-OIG and the Internal Revenue Service and was brought as part of the Medicare Fraud Strike Force, under the supervision of the Criminal Division's Fraud Section and the U.S. Attorney's Office for the Eastern District of Michigan. This case was prosecuted by Deputy Chief Gejaa Gobena, Assistant Chief Catherine Dick and Trial Attorney Niall O'Donnell of the Criminal Division's Fraud Section.

Since its inception in March 2007, the Medicare Fraud Strike Force, now operating in nine cities across the country, has charged more than 1,500 defendants who have collectively billed the Medicare program for more than \$5 billion. In addition, HHS's Centers for Medicare and Medicaid Services, working in conjunction with HHS-OIG, is taking steps to increase accountability and decrease the presence of fraudulent providers.

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

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Criminal Division