

## JUSTICE NEWS

### Department of Justice

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#### **Principal in \$28.3 Million Medicare Fraud Scheme Sentenced to 11 Years in Prison**

A Florida owner and operator of multiple physical therapy rehabilitation facilities was sentenced in federal court in Tampa today to serve 11 years in prison for his role in organizing a \$28.3 million Medicare fraud scheme involving physical and occupational therapy services.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, U.S. Attorney A. Lee Bentley III of the Middle District of Florida, Special Agent in Charge Derrick Jackson of the U.S. Department of Health and Human Services Office of Inspector General's (HHS-OIG) Miami Regional Office and Special Agent in Charge Paul Wysopal of the FBI's Tampa Field Office made the announcement.

Luis Duluc, 54, of Tampa, pleaded guilty on Feb. 3, 2014, to conspiracy to commit health care fraud as well as making a false statement relating to health care matters. In addition to the prison term, U.S. District Judge Susan C. Bucklew of the Middle District of Florida ordered Duluc to pay \$14,424,856 in restitution.

According to Duluc's admissions in connection with his guilty plea, he and his co-conspirators used various physical therapy clinics and other businesses throughout Florida to submit approximately \$28,347,065 in fraudulent reimbursement claims to Medicare between 2005 and 2009. Medicare paid approximately \$14,424,865 on those claims.

Duluc was chairman and president of a Delaware holding company known as Ulysses Acquisitions Inc., which was used to purchase comprehensive outpatient rehabilitation facilities and outpatient physical therapy providers, including West Coast Rehab Inc. in Fort Myers, Florida; Rehab Dynamics Inc. in Venice, Florida; Polk Rehabilitation Inc. in Lake Wales, Florida; and Renew Therapy Center of Port St. Lucie LLC in Port St. Lucie, Florida. This gave Duluc and his co-conspirators control of those clinics' Medicare provider numbers, which allowed them to bill Medicare for services.

Duluc admitted that he and his co-conspirators paid kickbacks to obtain, and stole, the personal identifying information of Medicare beneficiaries, and that he and his co-conspirators also obtained unique identifying information of physicians. They then used this information to create and submit false claims to Medicare through the clinics owned by Ulysses Acquisitions. These claims sought reimbursement for therapy services that were not legitimately prescribed and not actually provided. Duluc admitted that he and his co-conspirators created and used false and forged patient records in an effort to conceal the fact that services had not actually been provided.

Duluc also admitted that he developed and marketed the "80/20 deal." In these deals, Duluc and his co-conspirators submitted false reimbursement claims to Medicare on behalf of Miami-based therapy clinics, such as Hallandale Rehabilitation Inc., Tropical Physical Therapy Corporation, American Wellness Centers Inc. and West Regional Center Inc. Duluc and co-conspirators retained approximately 20 percent of the money Medicare paid on these claims and paid the other 80 percent to the co-conspirator clinic owners.

When Duluc and his co-conspirators were done using the clinics they acquired through Ulysses Acquisitions, they engaged in sham sales to nominee or straw owners, all of whom were recent immigrants to the United States with no background or experience in the health care industry. Duluc admitted that he did this in an effort to disassociate from the fraudulent operations of the rehabilitation facilities.

This case is being investigated by HHS-OIG and the FBI and was brought as part of the Medicare Fraud Strike Force, under the supervision of the Criminal Division's Fraud Section and U.S. Attorney's Office for the Middle District of Florida. This case is being prosecuted by Senior Trial Attorney Christopher J. Hunter and Trial Attorney Andrew H. Warren of the Criminal Division's Fraud Section and Assistant U.S. Attorney Simon A. Gaugush of the Middle District of Florida.

Since its inception in March 2007, the Medicare Fraud Strike Force, now operating in nine cities across the country, has charged nearly 2,000 defendants who have collectively billed the Medicare program for more than \$6 billion. In addition, the HHS Centers for Medicare & Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

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

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Criminal Division