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NEWS



Physician Pleads Guilty To Role In Health Care Fraud Conspiracy

FOR IMMEDIATE RELEASE

January 30, 2013

Dr. Daniel K. Leong Owned South Dallas Community Medical Center

DALLAS — On the day his trial was to begin in U.S. federal court, Dr. Daniel K. Leong, 59, who owned South Dallas Community Medical Center (SDCMC) on Martin Luther King Blvd., in Dallas, pleaded guilty to one count of conspiracy to commit health care fraud. Leong, who is in federal custody, faces a maximum penalty of five years in federal prison, a \$250,000 fine and restitution. Sentencing is set for May 1, 2013, before U.S. District Judge Ed Kinkeade.

Leong's co-conspirator, Cal Graves, who worked as a physician assistant at the SDCMC, pleaded guilty in July 2012 to the same offense. He is scheduled to be sentenced by Judge Kinkeade on February 13, 2013.

According to plea documents filed in the case, from February 2010 to February 2011, Leong and Graves engaged in a conspiracy to defraud Medicare and Medicaid by falsely representing that office visits and diagnostic tests were medically necessary.

In exchange for submitting themselves to diagnostic tests, patients at the clinic were prescribed controlled substances. This ensured that the patients would return to the clinic the next month, thus making themselves available for more tests. Often, patients would exaggerate their pain level to provide a basis for a prescription for narcotics. Leong benefitted from the exaggeration because this gave him "cover" to order more tests. The patients were rarely referred to specialists for their persistent pain and this process was repeated for up to several years without any actual treatment for some patients.

Leong and Graves frequently ordered tests known as electromyograms (EMG), which are used to diagnose neurological and neuromuscular problems. These tests are also highly-reimbursable by Medicare and Medicaid. Often, the results of these tests were never read and Graves did not have the proper training to read them.

In addition, in February 2010, Leong signed a blank prescription that reflected Leong's authority to prescribe controlled substances. Leong instructed Graves and other SDCMC staff to copy this prescription as needed. When patients came to SDCMC, Graves used the pre-signed prescriptions.

Medicare and Medicaid would not have paid claims for office visits, diagnostic testing, or prescriptions if they had known either that the services were medically unnecessary and that Leong did not prescribe the medications.

The case is being prosecuted by Assistant U.S. Attorneys Michael McCarthy and Mindy Sauter. The investigation was conducted by the FBI, U.S. Health and Human Services (HHS) Office of the Inspector General (OIG) and the Texas Attorney General's Medicaid Fraud Control Unit.

Since their inception in March 2007, the Medicare Fraud Strike Force, now operating in nine cities across the country, has charged more than 1,480 defendants who have collectively billed the Medicare program for more than \$4.8 billion. In addition, HHS's Centers for Medicare and Medicaid Services, working in conjunction with 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 Action Team (HEAT), go to: www.stopmedicarefraud.gov.

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