



Department of Justice

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Ashland Cardiologist Sentenced to 60 Months for Health Care Fraud and False Statements

COVINGTON, Ky. – Late yesterday, Ashland cardiologist Dr. Richard E. Paulus was sentenced, by U.S. District Court Judge David L. Bunning, to serve 60 months in federal prison for health care fraud and false statements. In October 2016, a federal jury convicted Paulus, 71, of one count of health care fraud and ten counts of making false statements relating to health care matters, after hearing evidence that Paulus defrauded Medicare, Medicaid, and private insurers, by implanting medically unnecessary stents in his patients and falsifying the degree of stenosis in their medical records. After the trial, the district court granted Paulus's motion for an acquittal. The Sixth Circuit Court of Appeals later reversed that decision, on June 25, 2018, and reinstated Dr. Paulus's conviction, resulting in his formal sentencing.

According to evidence presented at trial, from 2008 to 2013, Paulus performed invasive heart procedures on patients who did not need them. In order to justify these unnecessary procedures, Paulus falsified patients' medical records, exaggerating their medical condition and making it appear that the heart procedures were necessary and qualified for payment. From 2006 to 2012, Paulus billed Medicare for more heart procedures than any other cardiologist in Kentucky, and was fifth in the nation in terms of amount paid by Medicare for stent procedures.

Paulus's sentence was based on stents he placed in seventy-one patients whose blockages were significantly less than 70 percent, where Paulus recorded them at or near 70 percent in the records, in order to be paid for the procedures. These medically unnecessary procedures were performed during his tenure at King's Daughters Medical Center in Ashland.

In addition to his term of imprisonment, Paulus must pay \$1.1 million in restitution to Medicare, Medicaid, and other private insurers who were financial victims of his

scheme. Under federal law, Paulus must serve 85 percent of his prison sentence and will be under the supervision of the U.S. Probation Office for three years following release.

Robert M. Duncan, Jr., United States Attorney for the Eastern District of Kentucky, Derrick L. Jackson, Special Agent in Charge for the U.S. Department of Health and Human Services, Office of Inspector General, Atlanta Division; James Robert Brown, Jr., Special Agent in Charge, Federal Bureau of Investigation, Louisville Division, and Andy Beshear, Kentucky Attorney General, jointly announced the sentence.

The investigation was conducted by FBI and the Department of Health and Human Services, and the Kentucky Office of Attorney General-Medicaid Fraud and Abuse Control Unit. Former Assistant United States Attorney Andrew Sparks and Assistant United States Attorney Kate Smith prosecuted the case on behalf of the federal government.

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