



# Department of Justice

**Acting United States Attorney William D. Weinreb  
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## **PAIN MANAGEMENT PHYSICIAN PLEADS GUILTY TO HEALTH CARE FRAUD AND MONEY LAUNDERING**

BOSTON – A Dover, Mass., pain management physician pleaded guilty today in U.S. District Court in Boston in connection with his scheme to defraud Medicare and other health care insurers, and then using the proceeds of his illegal activity to support his extravagant lifestyle.

Fathallah Mashali, 62, pleaded guilty to 27 counts of health care fraud, one count of conspiracy to commit mail fraud, and 16 counts of money laundering. U.S. District Court Senior Judge Rya W. Zobel scheduled sentencing for June 21, 2017. Judge Zobel ordered Mashali released on GPS monitoring pending sentencing.

Mashali was a licensed physician in Massachusetts and Rhode Island. Mashali operated New England Wellness & Pain Management, P.C., a/k/a New England Pain Associates, P.C., of Massachusetts and Rhode Island, a/k/a Greystone Pain Management, Inc., a/k/a New England Pain Institute, P.C. (NEPA). He also employed Egyptian doctors in Cairo, Egypt, who entered false information into U.S. patients' medical records. Many of the patients at NEPA were Medicare beneficiaries.

From approximately October 2010 through March 2013, Mashali falsely billed Medicare for extensive medical services that he did not provide. He treated patients with chronic pain conditions and frequently gave his patients large doses of prescription medications, including powerful opiates. Mashali falsely stated in patients' medical records and representations to Medicare and private insurance companies that he had seen patients for twenty-five minutes per appointment or longer, when in fact, Mashali often saw his patients for less than five minutes. In his brief interactions with his patients, Mashali did not perform any physical examinations and barely inquired into the patient's medical status or history. In addition, he overbooked his patient appointments and arrived to work sometimes as late as four hours after his first scheduled appointment. His scheduling practices caused significant overcrowding at his offices and left him with no meaningful ability to assess each individual patient. Mashali then falsely documented that he conducted extensive physical exams, when he most often did not even touch his patients. As a result of his false statements, he obtained substantial reimbursement from Medicare and private insurance companies.

Mashali also routinely billed Medicare and private insurers for urine drug test results that were false and fraudulent. He caused patients' urine samples to be stored for weeks and up to three months unrefrigerated in a heated, sunlit space in his laboratory in Holbrook, Mass., which

left them degraded and worthless. The decomposition caused a significant stench of stale urine throughout the lab. Mashali nevertheless made his lab technicians test all the old urine, while well aware that his practice of urine sample storage was wrong. When inspectors showed up at his lab, he directed his staff to move the unrefrigerated urine out of sight.

Mashali mandated that his staff run every patients' urine sample on two machines, each of which used the same scientific testing methodology, which Mashali knew was contrary to Medicare billing rules. He caused every patients' urine specimen to be chemically confirmed, despite the fact that he did not even know the result of the initial urine drug screening test, knowing that this was also contrary to Medicare billing rules. Moreover, Mashali ran tests on chemical analyzers that had not been properly calibrated and validated.

When Medicare began to inquire about Mashali's unlawful billing practices and initiated an audit of Mashali's medical services, requesting 40 patient medical files, Mashali caused his staff both in the United States and in Egypt to falsely alter patient records. This included falsifying patient encounters which had taken place sometimes one or more years earlier, and faking and backdating the results of patients' urine drug tests. Mashali knew that his patient records would not pass muster with Medicare's auditors and thus ordered his staff to make these changes.

Mashali used the proceeds derived from his fraudulent billing to fund a lavish lifestyle, spending money on his extravagant Dover residence and a condominium in Florida. For example, he ordered the construction of a carriage house, outfitted with a squash court and movie theater, at his Dover home.

"Dr. Mashali failed his patients and deceived Medicare," said Acting U.S. Attorney William D. Weinreb. "He billed Medicare for patient visits and urine drug testing that he did not perform. He exposed his vulnerable patient population to significant medical risks, by refusing to properly examine them and by paying no attention to the results of their drug tests. A physician who knowingly defrauds Medicare and other health care insurers compromises patient care and squanders precious health care resources."

"The FBI will continue to target those providers in the medical community who operate under the cover of legitimacy to commit criminal acts," said Harold Shaw, Special Agent in Charge of the Federal Bureau of Investigation, Boston Field Division. "Today's plea highlights the ongoing work the FBI is doing to investigate providers who exploit patients by submitting fraudulent medical claims for services they never provided."

"Dr. Mashali violated the fundamental trust that taxpayers and patients have in medical professionals. Such health care fraud scams increase health care costs, threaten patient health and well-being, and undermine the public's trust in the health care profession," said Special Agent in Charge Phillip Coyne of the U.S. Department of Health and Human Services, Office of Inspector General. "Working together with our law enforcement partners to stop fraud, as we did today, will ensure that Americans' hard-earned dollars are used to provide quality care for patients — not to line the pockets of criminals."

“This matter illustrates the commitment of all agencies to combat medical billing fraud which affects all citizens,” said Anthony M. DiPaolo, Chief of Investigations for the Insurance Fraud Bureau. “The Insurance Fraud Bureau of Massachusetts places a high priority on fighting this type of insurance fraud. The collaboration in this matter is unprecedented.”

“Fraud schemes of this magnitude undermine the integrity of our health care system and contribute to its rising cost,” said Special Agent in Charge Joel P. Garland, of the Internal Revenue Service’s Criminal Investigation. “Ultimately, Dr. Mashali’s patients were deprived of quality health care while he was unjustly enriched. We are proud of our law enforcement partnership in this important investigation, and IRS will continue to offer our forensic accounting skills to combat health care fraud in all forms.”

Acting U.S. Attorney Weinreb; FBI SAC Shaw; HHS-OIG SAC Coyne; Massachusetts IFB Chief DiPaolo; IRS-CI SAC Garland; and Michael J. Ferguson, Special Agent in Charge of the Drug Enforcement Administration, New England Field Division, made the announcement today. Assistant U.S. Attorneys Maxim Grinberg and Abraham R. George of Weinreb’s Office are prosecuting the case.

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