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Midwest Health Care Fraud Law Enforcement Action Results in Charges Against 53 Individuals Alleging \$250 Million in Loss

Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division announced today a health care fraud law enforcement action in Detroit, Chicago and Minnesota. Charges were filed against 20 individuals in the Eastern District of Michigan for their alleged involvement in Medicare fraud schemes resulting in \$144.8 million in illegitimate billings. In the Northern District of Illinois, charges were filed against 12 individuals for their alleged involvement in Medicare fraud schemes resulting in over \$103 million in illegitimate billings. Of those charged in the two federal districts, seven were doctors or licensed medical professionals. In addition, in the state of Minnesota, 21 defendants, including two licensed medical professionals, have been charged with defrauding Medicaid for almost \$3 million. Minnesota's Medicaid Fraud Control Unit (MFCU) investigated these cases.

Today's enforcement actions were led and coordinated by the Health Care Fraud Unit of the Criminal Division's Fraud Section in conjunction with its Medicare Fraud Strike Force (MFSF) partners, a partnership among the Criminal Division, U.S. Attorney's Offices, the FBI and U.S. Health and Human Services-Office of Inspector General (HHS-OIG).

The charges announced today aggressively target schemes billing Medicare, Medicaid and private insurance companies for medically unnecessary procedures, medical procedures that were never provided and prescription medications that often were never purchased and/or distributed to beneficiaries.

"Health care fraud robs taxpaying Americans and corrupts the relationship between doctors and patients," said Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division. "Today's actions in the Midwest are further proof of the Department's steadfast commitment to investigating and prosecuting those who put their personal greed above the public good."

"I applaud the actions taken by our law enforcement partners to seek out and hold accountable those who choose to defraud our health care programs," said U.S. Attorney Matthew Schneider of the Eastern District of Michigan. "These charges should send a strong message to health care professionals that theft from these vital programs will be met with serious consequences."

"The abuse of our healthcare programs affects all taxpayers, who foot the bill to make coverage available," said Special Agent in Charge Steven M. D'Antuono of the FBI's Detroit Field Office. "These offenders stole American taxpayers' hard-earned money to line their own pockets. We thank our federal and state partners for their collaborative efforts to stop this systemic fraud."

"As we pursue these cases, our focus is always on the beneficiaries and taxpayers who rely on us to protect the integrity of Medicare programs," said Special Agent in Charge Lamont Pugh III of the HHS-OIG Chicago Region. "We will continue to work with our law enforcement partners to hold accountable anyone who steals taxpayer

dollars and threatens the integrity of this vital benefit.”

Among those charged in cases handled by Strike Force attorneys in the Eastern District of Michigan are the following:

James Letko, 46, of Pittstown, New Jersey; Steven King, 41, of Pembroke Pines, Florida; Patricia Flannery, 40, of Hellertown, Pennsylvania; Katherine Peterson, 33, of Millford, New Jersey; and Rami Lazeki, 40, of Plymouth, Michigan, were charged in an indictment filed Sept. 26 with one count of conspiracy to commit health care fraud and five counts of health care fraud. The charges stem from an alleged \$80 million, multi-prong health care fraud scheme run by Letko, the CEO of A1C Holdings; King, its chief compliance officer; Flannery and Peterson, members of its management team; and Lazeki, pharmacist in charge at All American Medical Pharmacy. All five allegedly conspired to direct employees of multiple subsidiary pharmacies under A1C Holdings to conceal Letko's ownership in the subsidiary pharmacies; falsify contracts with pharmacy benefit managers to conceal Letko's ownership interest; classify subsidiary pharmacies as mail order when in fact they were retail pharmacies; authorize refills without patient consent and fail to collect co-pays to induce patients to accept refills of medically unnecessary medications and diabetic testing supplies. The FBI and HHS-OIG investigated the case. Assistant Chief Malisa Dubal of the Criminal Division's Fraud Section is prosecuting the case.

Regina Black, 50, of Shelby Township, Michigan, owner of Rehabilitative Counseling and Behavior Services of America of Clinton Township, Michigan, was charged in an indictment filed Sept. 17 and unsealed today with five counts of health care fraud and three counts of wire fraud. The charges stem from Black's alleged role in a \$4.9 million health care fraud scheme, in which she advertised and offered services, such as dancing, field trips and other social activities for Medicare enrollees at senior residential buildings. Using the enrollees' Medicare numbers, Black allegedly caused Medicare to be billed for individual and group psychotherapy services that were not medically necessary, not rendered and/or not otherwise eligible for reimbursement through Medicare. The FBI and HHS-OIG investigated the case. Trial Attorneys Steven Scott and Claire Sobczak of the Fraud Section are prosecuting the case.

Robert Cornfield, D.P.M., 55, of Rochester, Michigan, a podiatrist and owner of Robert H. Cornfield, DPM PC of Rochester, Michigan, was charged in an indictment filed Sept. 17 and unsealed today with five counts of health care fraud. The charges stem from Cornfield's alleged role in a \$1.7 million health care fraud scheme in which Cornfield submitted or caused the submission of claims to Medicare for podiatric services he never provided. Specifically, Cornfield allegedly defrauded Medicare by submitting claims for nail avulsions without actually performing the service. From January 2010 through July 2019, Cornfield allegedly billed Medicare for more than 17,000 nail avulsion procedures, ranking him among the highest in the country for that procedure. The FBI and HHS-OIG investigated the case. Trial Attorneys Steven Scott and Jay McCormack of the Fraud Section are prosecuting the case.

Anthony Weinert, D.P.M., 48, of Oakland, Michigan, owner of Anthony Weinert DPM P.C. in Warren, Michigan, and Troy Surgicare in Troy, Michigan, was charged in an indictment filed Sept. 24 and unsealed yesterday with eight counts of health care fraud. The charges stem from Weinert's alleged role in a \$1.7 million health care fraud scheme, in which Weinert submitted or caused the submission of claims to Medicare for podiatric services he did not provide. Specifically, Weinert allegedly defrauded Medicare by submitting claims for nail avulsions, capsulotomies and mass removals without actually providing the services. The FBI and HHS-OIG investigated the case. Trial Attorneys Jay McCormack and Steven Scott of the Fraud Section are prosecuting the case.

Christopher Fratine, 52, of West Branch, Michigan, owner of Unity Home Health Care LLC of West Branch, Michigan, was charged in an indictment filed Sept. 26 with nine counts of health care fraud and three counts of wire fraud. The charges stem from Fratine's alleged role in an \$18.2 million home health care fraud scheme in which he submitted or caused the submission of claims for home health episodes that were not provided. The

FBI, HHS-OIG, and Michigan State Police investigated the case. Trial Attorney Steven Scott of the Fraud Section is prosecuting the case.

Sharon King, 66, of Bloomfield Hills, Michigan, was charged in a superseding indictment filed Sept. 19 and unsealed today with three counts of conspiracy to pay and receive health care kickbacks. One of the counts alleges that King engaged in these acts while on supervised release. These charges come in addition to her original charge for conspiracy to commit health care fraud, which was originally filed in June 2018 and which remains pending. The charges stem from King's alleged role in a scheme to fraudulently bill Medicare in excess of \$2.5 million for physician and home health services that were medically unnecessary, never provided and induced by kickbacks. As part of the scheme, King allegedly provided kickbacks, including prescriptions for controlled substances, to Medicare beneficiaries who agreed to accept physician services from Thomas Mays, M.D. and referrals for home health services provided by Personal Touch, Inij Home Healthcare and other home health agencies. These purported home health and physician services were allegedly often medically unnecessary, not actually provided and/or induced by health care kickbacks. The FBI and HHS-OIG investigated the case. Trial Attorney Jay McCormack is prosecuting the case, which Trial Attorney Tom Tynan of the Fraud Section initially handled.

Farzana Haris, 59, of Canton, Michigan, owner and operator of Inij Home Health Care, was charged in an information filed Sept. 26 with one count of conspiracy to commit health care fraud. The charge stems from Haris' alleged role in a scheme with co-conspirators Sharon King and Dr. Thomas Mays, M.D. to fraudulently bill Medicare approximately \$1.1 million for home health services that were medically unnecessary, never provided and induced by kickbacks. The FBI and HHS-OIG investigated the case. Trial Attorney Jay McCormack is prosecuting the case, which Trial Attorney Tom Tynan initially handled.

Charles Hobson Sr., 78 of Southfield, Michigan, co-owner and operator of Personal Touch Home Health Care, and Charles Hobson, Jr., 50, of Lathrup Village, Michigan, co-owner and operator of Personal Touch Home Health Care were charged in an information filed Aug. 23 with one count of conspiracy to pay and receive kickbacks and bribes in connection with a federal health care program. The charge stems from the Hobsons' alleged role in a scheme with co-conspirator Sharon King, in which the Hobsons paid kickbacks to King and other patient recruiters in exchange for recruiting Medicare beneficiaries to Personal Touch. The FBI and HHS-OIG investigated the case. Trial Attorney Jay McCormack is prosecuting the case, which Trial Attorney Tom Tynan initially handled.

Mohamed Gomaa, 28, of Dearborn Heights, Michigan, a licensed pharmacist and owner of MedlifeRx Pharmacy of Auburn Hills, Michigan, was charged in an indictment filed Sept. 26 with four counts of mail fraud. The charges stem from Gomaa's alleged role in a \$3.48 million scheme that dispensed expensive and medically unnecessary medications, using forged or fraudulent prescriptions, and sent them by mail to Medicare, Medicaid, BCBS and other private insurance beneficiaries who did not want or need them. Gomaa then allegedly billed Medicare and the other various insurance programs and insurers for the high-cost drugs. The FBI and HHS-OIG investigated the case. Trial Attorney Patrick Suter of the Fraud Section is prosecuting the case.

Yogesh Pancholi, 40, of Northville, Michigan, owner of Shring Home Health Care (Shring) of Livonia, Michigan, was charged in an indictment filed Sept. 24 and unsealed yesterday with one count of conspiracy to commit health care fraud and wire fraud, two counts of health care fraud and two counts of money laundering. The charges stem from Pancholi's alleged role in a \$2.8 million home health "bust out" scheme for the submission of request for advance payments or RAPs. Pancholi allegedly submitted RAP claims through Shring for services not prescribed or rendered to Medicare. The FBI and HHS-OIG investigated the case. Trial Attorney Patrick Suter is prosecuting the case.

Kenneth Mitchell, D.P.M., 57, of Southfield, Michigan, a licensed podiatrist and minority owner of Urban Health

Care Group LLC of Southfield, Michigan, was charged in a superseding indictment filed Sept. 17 and unsealed yesterday with one count of falsification of records in a federal investigation. These charges come in addition to Mitchell's original charges filed Sept. 17 consisting of one count of conspiracy to commit health care fraud and wire fraud and three counts of health care fraud. The charges stem from Mitchell's alleged role in a \$1.8 million scheme by which he and co-conspirators submitted false and fraudulent claims for medically unnecessary podiatry and other services on behalf of Urban Health Care Group LLC. HHS-OIG investigated the case. Trial Attorney Patrick Suter of the Fraud Section is prosecuting the case.

Among those charged in cases handled by Strike Force attorneys in the Northern District of Illinois are the following:

Mark Sorensen, 50, of Chicago, Illinois, and Paulina Goncharova, 30, of Minneapolis, Minnesota, were indicted on Sept. 24 on one count of conspiracy to pay kickbacks and three counts of kickbacks. Sorensen was the owner and Goncharova was the Vice President of Finance for Symed, a Medicare-enrolled durable medical equipment (DME) pharmacy in Chicago, Illinois. The charges stem from Sorensen and Goncharova's roles in a scheme to fraudulently obtain money from Medicare for braces including paying kickbacks to purchase signed doctors' prescriptions and falsification of business records. Between April 2015 and April 2018, Symed billed Medicare approximately \$87 million, and was paid \$25 million for DME claims. Trial Attorney Leslie S. Garthwaite of the Fraud Section is prosecuting the case.

Altamash Mir, 43, formerly of Oak Brook, Illinois and Palos Hills, Illinois, owner of a home health "consulting" business and concealed owner of home health agencies; Muhammad Ateeq, 31, of Rawalpindi, Pakistan, a biller and concealed owner of home health agencies; Nadir Mir, 31, of Las Vegas, Nevada, manager of a home health agency; Tasneem Jamal, 66, formerly of Oak Brook, Illinois and Palos Hills, Illinois, administrator and nominee owner of a home health agency; Hamdeh Chatat, 37 of Highland, Indiana, administrator of a home health agency and a home health "consultant"; Bilal Malik, 41, of Palos Hills, Illinois, Las Vegas, Nevada, and San Bernadino, California, nominee owner of a home health agency; Kendria Cochran, 28, Chicago, Illinois, manager of multiple home health agencies; and Luis Ramos, 28, of Chicago Heights, Illinois, manager of multiple home health agencies, were charged on Sept. 26, 2019, in a 35-count indictment that alleges health care fraud, conspiracy to commit money laundering, concealment of money laundering, false statements relating to health care matters, and engaging in monetary transactions in criminally derived property of greater than \$10,000 in value. The charges stem from the defendants' alleged roles in at least approximately a \$40 million fraud scheme in which home health agencies were acquired using fake aliases and/or nominee owners and used to submit fraudulent claims for home health services that were never rendered. Trial Attorney Patrick Mott and Assistant U.S. Attorney Jeremy Daniel are prosecuting the case.

Renato Duarte, Psy.D., 60, of Chicago, Illinois, was charged in an indictment filed Sept. 19 and unsealed today with six counts of health care fraud. The charges stem from Duarte's billing for providing psychological counseling services to patients who he did not see, including while he was traveling outside of the Chicago area. This caused at least approximately \$1.07 million in loss between June 2016 and April 2019. Trial Attorney Leslie S. Garthwaite of the Fraud Section is prosecuting the case.

The charges and allegations contained in the indictments are merely accusations. The defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

The Fraud Section leads the Medicare Fraud Strike Force (MFSF), which is part of a joint initiative between the Department of Justice and HHS to focus their efforts to prevent and deter fraud and enforce current anti-fraud laws around the country. Since its inception in March 2007, MFSF maintains 15 strike forces operating in 24 districts and has charged nearly 4,000 defendants who have collectively billed the Medicare program for more than \$14 billion. In addition, HHS Centers for Medicare & Medicaid Services, working in conjunction with HHS-

OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

Topic(s):

Prescription Drugs
Health Care Fraud

Component(s):

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