

# Healthcare fraud News Bites

December 2010

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## **FACUA complaints to a company that distributes magnetic miracle - Spain**

1- 12- 2010

The consumer association FACUA denounces a healthcare fraud. It warns of a Mexican company (Magnetica Saiffe) that distributes magnetic products “able” to cure AIDS or cancer. This company distributes these products in Spain through another company of Canary which denies any participation in that. On its website you just have to choose the disease and it shows how in the case of AIDS you can heal in a few sessions. FACUA has denounced the activities of this company in Mexico and Spain.

<http://www.ondacero.es/OndaCero/noticia.do?titular=&id=1012013&hit=1&automatic=true>

## **Indiana Eye Physician Accused of Healthcare Fraud, Assets Distributed Following Murder-Suicide - USA**

2-12-2010

The assets of an ophthalmologist from the South Bend (Ind), who was accused of healthcare fraud, have been distributed after murder-suicide follows this indictment. He was accused to falsely the diagnosing patients with cataract in order to perform unnecessary cataract surgeries. Law enforcement officers found Dr. Gabriele and his wife (also accused of participating in the fraud) dead in an apparent murder-suicide.

<http://www.beckersasc.com/stark-act-and-fraud-abuse-issues/indiana-eye-physician-accused-of-healthcare-fraud-assets-distributed-following-murder-suicide.html>

## **Mother “faked a brain tumour to cheat well-wishes out of hundreds of pounds” - UK**

6-12-2010

Terry Edkins (23) who claimed to be fatally ill with a brain tumour, bone cancer and leukaemia is accused of inventing her condition in order to con well-wishers out of hundreds of pounds. Her husband was among those who were taken in by her alleged scam, and arranged fundraising events to pay for revolutionary 25,000 pounds treatment in the US that Edkins said she needed. She has now been charged with three counts of fraud. Edkins will appear at the Lincoln Magistrates Court next month.

<http://www.dailymail.co.uk/health/article-1335847/Terri-Edkins-faked-brain-tumour-cheat-wishers-hundreds-pounds.html?ito=feeds-newsxml>

## **Healthcare fraud lawsuit filed against N.C. internist - USA**

6-12-2010

The federal government has filed a lawsuit against Daniel Chidi Uba, an internist from Fayetteville (N.C.) and his company Rapha Health Systems for allegedly defrauding federal healthcare programs. Rapha Health Systems was reimbursed for medical services that were allegedly never rendered, medically unnecessary or not supported by proper documentation.

<http://www.beckersasc.com/stark-act-and-fraud-abuse-issues/healthcare-fraud-lawsuit-filed-against-nc-internist.html>

## **Arrests pile up in home health fraud scheme - USA**

07-12-2010

Four Detroit residents were arrested and charged this week for their part in a \$14.5 Million Medicare fraud scheme in Michigan in which therapy services for Medicare patients either were not necessary or never performed at all. A total of 21 people have been charged. Maira Suleman and Myra Jones (both served as recruiters), John Thomas (physical therapist of All America), Sherry Prescott (employee at All America) and Dr. Pramod Raval for agreeing to supply former Patient Choice owner Muhammad Shahab with patient referrals. They face as much as 10 years in prison and a \$250,000 fine.

<http://www.fiercehealthcare.com/story/arrests-pile-home-health-medicare-fraud-scheme/2010-12-08>

## **NHS CFS: taking the fraudsters to task-UK**

08-12-2010

Richman Matinyadze (37) obtained work as a care assistant and mental health nurse using false documentation. He has received seven months' imprisonment on four charges, to be served concurrently, after an investigation by the NHS Counter Fraud Service assisted by the UK Border Agency. He was granted temporary asylum in the United Kingdom in June 2006 on arrival from Zimbabwe but was not entitled to seek work or have recourse to public funds.

<http://www.info4security.com/story.asp?sectioncode=10&storycode=4126322&c=1>

## **Prison dentist behind bars for \$307,000 NHS fraud - UK**

08-12-2010

John Hudson (58) a former prison dentist has been sentenced at Liverpool Crown Court to 30 months imprisonment for committing fraud against the NHS. He failed to declare he was already being paid by private healthcare companies when he secured an NHS contract to deliver the same services. Due to new regulations, Hudson had been required to go on the performers list of North Liverpool PCT in 2004, and began receiving payments from the NHS Dental Services Division in 2005. The dentist pleaded guilty to 27 counts of retaining wrongful credits worth £307,000 in total.

<http://www.info4security.com/story.asp?sectioncode=10&storycode=4126322&c=1>

## **Operating Department practitioner jailed for 15 months - UK**

08-12-2010

John Cross, a temporary practitioner who defrauded a Newcastle hospital of over £23,000 by double charging it for his work has received a 15-month prison after being investigated by the NHS CFS. He personally benefited from his dishonesty by £15,660, while the NHS' total loss was £23,069. Cross pleaded guilty to two charges of false accounting contrary to Section 17 of the Theft Act 1968. He was employed as an Operating Department practitioner via an agency, Oasis Locums and in June last year obtained the same role for another agency, Promedix. However Cross, who was obliged to submit weekly timesheets to the Trust and a copy to the agencies, secretly began submitting timesheets for the same hours worked to both agencies, who in turn both invoiced the Trust for payment. His submission of dual timesheets was discovered in October 2009, in February 2010, he was arrested at his home on behalf of the NHS CFS.

<http://www.info4security.com/story.asp?sectioncode=10&storycode=4126322&c=1>

### **Three drug companies to pay \$421 million in fraud settlement - USA**

09-12-2010

Three pharmaceutical firms — Roxane, Abbott Laboratories and B. Braun Medical "agreed to pay more than \$421 million to settle claims of defrauding Medicare and Medicaid — the latest in a string of large healthcare fraud settlements announced by the Justice Department. The drug companies charged one set of prices to doctors and pharmacies but reported another set of inflated figures that were used as benchmarks by government insurers reimbursing healthcare providers, authorities said".

<http://www.news-medical.net/news/20101209/2753/German.aspx>

### **One out of four citizens pays gratitude money - Germany**

09-12-2010

The Anti-corruption organisation Transparency International has published in its recent survey that 60 per cent of people questioned think that bribe has been more common in the last three years. Half of the people who paid gratitude money were sure that it helped to arrange whatever they wanted. One quarter of them had succeeded the processes by paying extra money. Of course, corruption is not only found in the healthcare sector, but also in the round of policemen and tax institutions. Transparency International surveyed more than 91000 people in 86 regions and countries.

<http://www.infranken.de/nachrichten/europa-welt/Geld-Macht-Gier-Wirtschaft-Politik-Einer-von-vier-Buergern-zahlt-Schmiergeld;art181,108526>

### **An electronic system to curb fraud in the healthcare system - Romania**

11- 01- 2011

Bucharest - The Romanian National Health Insurance Fund announced that all Romania's healthcare system had been linked electronically for the first time in the history of the country. As from January this year, the insured will gradually receive their first personalized insurance card with chip, which should also include medical records of patients. In addition all doctors will receive a so-called control card. In order to claim for their services or prescribe recipes, doctors connect both cards simultaneously into the system. A few years ago, doctors had been able to claim reimbursement for 27 million insured people whereas there are only 19 million people insured. The new electronic system is expected to lead to more discipline, both in finances as well as medical treatment and to reduce fraud-cases.

[http://www.aerzteblatt.de/nachrichten/44045/Rumaenien\\_Elektronisches\\_System\\_soll\\_Betrug\\_im\\_Gesundheitswesen\\_eindaemmen.htm](http://www.aerzteblatt.de/nachrichten/44045/Rumaenien_Elektronisches_System_soll_Betrug_im_Gesundheitswesen_eindaemmen.htm)

### **Fake psychoanalyst sentenced for health care fraud - USA**

14-12-2010

Two Somerset County residents who pleaded guilty to defrauding health insurance companies were sentenced to prison Tuesday. Lawrence Brotzen, 59, had posed as a psychoanalyst with the help of Sally Wright, 57. Federal authorities said they billed insurance companies, including Aetna, Blue Cross/Blue Shield and United Healthcare, for expensive services for more than 20 patients. Brotzen pretended to have two doctorate degrees and charged patients inflated prices, authorities said. Brotzen was sentenced to three years in prison, while Wright was sentenced to a year plus one day.

[http://www.northjersey.com/news/crime\\_courts/121410\\_Fake\\_pschoanalyst\\_sentenced\\_for\\_health\\_care\\_fraud.html](http://www.northjersey.com/news/crime_courts/121410_Fake_pschoanalyst_sentenced_for_health_care_fraud.html)

## **Commercial fraud and breach of trust - Germany**

20-12-2010

A lawsuit has been filed against a pharmacist and a doctor in Hessen (Germany) for commercial fraud and breach of trust. The two healthcare professionals are accused of claiming reimbursement for supplies that were never ordered. The AOK health insurance estimates that a loss of € 550,000 has been incurred. The doctor would order a list of consultation products to the pharmacist who would in turn claim reimbursement to the AOK, however these items were never delivered and the two healthcare professionals would share the money 'earned'. The pharmacist has given up his business to the authorities by now and the doctor could be arrested in October 2010 and is currently in custody. In the case of very serious fraud - including the commercial fraud count – the German law provides for imprisonment of between six months and 10 years.

<http://www.apotheke-adhoc.de/Nachrichten/Panorama/13243.html>

## **621 people denounced for fraud in the NHS -Italy**

22-12-2010

The "Guardia di Finanza" reported they have found over 600 people who, through false self-certifications, had been able to obtain the exemption of payment for healthcare received although they were not entitled to these exemptions. They pretended to be poor in order not to pay for the medical services and diagnostics they had used. Among those reported are entrepreneurs, salespeople, artists, professionals, civil servants and false unemployed, who all receive a revenue, in some cases even high revenues. Examples included individuals who had declared a yearly income of over 100 thousand Euros to the tax department as well as the ownership of luxury cars, and even included a person who boasted a total household income of more than 300,000 euro. This fraud means a loss of income estimated at over 1 million euro. All the suspects were referred to the judicial authorities of Locri.

<http://www.mediterraneanonline.it/2010/12/22/roccella-jonica-621-persone-denunciate-per-truffa-al-ssn/>