



## Feds Recovered \$4 Billion in Govt. Medical Fraud in 2010 - Behind the Numbers+

By: Brian Hartman, ABC

Last year was the biggest ever for shutting down efforts to scam federal health care programs. Prosecutors recovered a record-setting \$4 billion from hundreds of crooks, big and small.

“The subjects of our investigations include traditional fraudsters, health care providers, corporate executives, hospital systems and administrators and members of organized crime,” said FBI Assistant Director Kevin Perkins at a news conference in Washington Monday.

Federal officials also announced new rules to make it harder for would-be criminals to defraud the government in the future.

“The days when you could just hang out a shingle and start billing the government are over,” said HHS Secretary Kathleen Sebelius.

Among the new rules, which are part of the health care law the House voted last week to repeal, is one that allows Medicare to stop all payments to a provider the moment a credible complaint about fraud has been received. This may terrify executives at some big corporations that sell billions of dollars worth of drugs, devices and services to the federal government. Major companies like Novartis, AstraZeneca and Allergan, for example, were the subjects of successful fraud investigations last year.

Appearing on stage at HHS headquarters for the announcement also was Dennis Jay, Executive Director of the **Coalition Against Insurance Fraud**. Jay has been a frequent critic of federal incompetence when it comes to Medicare fraud.

Not today.

“I think it’s a new day coming in,” Jay said. “The numbers that have been announced today are very impressive. But they’re only a start.”

### By the numbers:

- More than 2,000 criminal and civil investigations
- More than 930 defendants
- More than 700 criminal convictions
- More than 400 FBI agents on 2,600 investigations
- Shut down 60 criminal enterprises engaged in widespread health care fraud

### A few of the scams:

- Doctor stole identities of patients. In

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**Coalition Against Insurance Fraud**

- billed Medicare for 24 “chiropractic manipulation services.” The two supposed patients? Premature twin newborns, who were in a neonatal ICU at the time.
- Company duped thousands of elderly people into signing up for a bogus discount drug program. Some were warned they would lose Medicare if they refused to sign up.
- Billed Medicare for medically unnecessary dental procedures performed on children. (ABC’s Pierre Thomas covered this one for 20/20 and World News. Watch that report below.)
- Conspirators bought the identities of Medicare beneficiaries to submit fake claims for expensive medical equipment.
- Company that owns no ambulances billed Medicare for ambulance trips.
- Bogus HIV/AIDS infusion clinic submitted claims for treatments that were not provided.