Charles J. Hynes
District Attorney

Jerry Schmetterer
Director of Public Information

KINGS COUNTY DISTRICT ATTORNEY CHARLES J. HYNES ANNOUNCES CREATION OF HEALTHCARE FRAUD DIVISION TO PROSECUTE DOCTORS, PHARMACISTS AND PATIENTS WHO STEAL CITY, STATE AND FEDERAL HEALTHCARE FUNDS

ANNOUNCES COLLABORATION WITH US DEPARTMENT OF JUSTICE, US DEPARTMENT OF HEALTH AND HUMAN SERVICES, AND NEW YORK CITY HUMAN RESOURCES ADMINISTRATION TO PROSECUTE PROVIDERS

DOCTOR CHARGED WITH OVERCHARGING MEDICAID AND MEDICARE HUNDREDS OF THOUSANDS OF DOLLARS

Brooklyn, February 25, 2013 – Kings County District Attorney Charles J. Hynes today announced the creation of a first-of-its-kind collaboration, where local prosecutors and city agencies team up with the federal Health and Human Services Office of the Inspector General and the United States Attorney's Office, to investigate and prosecute doctors and pharmacists who commit fraud against Medicaid and Medicare. The Brooklyn District Attorney's Office will combine its efforts with those of Loretta E. Lynch, US Attorney for the Eastern District of New York; Kathleen Sebelius, United States Secretary for Health and Human Services; Daniel Levinson, Inspector General for HHS; Robert Doar, Commissioner of the New York City Human Resources Administration; and James Sheehan, HRA's Chief Integrity Officer.

District Attorney Hynes also announced the creation of a new Healthcare Fraud Division, within his office, to handle the cases generated by the collaboration. With Commissioner Doar and New York City Special Narcotics Prosecutor Bridget Brennan, District Attorney Hynes announced the indictment of Dr. Naveed Ahmad. Dr. Ahmad is charged with bilking Medicare and Medicaid out of approximately $500,000, over the course of three years. An ongoing investigation could lead to additional charges.

"Prosecution of Medicaid and Medicare fraud is a new game thanks to Senator Charles Schumer, the inspiration behind this extraordinary team," said District Attorney Hynes. "For years I have wanted to go after crooked providers but lacked the resources to handle such cumbersome investigations, so when Senator Schumer suggested combining my efforts with those of the federal authorities, I was glad for the opportunity."

"The recent developments outlined today clearly demonstrate the importance of collaboration between all levels of government to investigate and prosecute fraud, abuse and

waste in the Medicare and Medicaid system," said U.S. Senator Charles E. Schumer. "I was pleased to work with DA Hynes and USA Lynch to secure an agreement to expand the cooperation between Kings County DA's office and the Eastern District. They will now collaborate not just on Medicaid fraud, but also Medicare fraud. From domestic violence, to community courts, to mortgage fraud prosecutions DA Hynes has consistently been at the cutting-edge of enlightened and effective law enforcement innovation. Brooklyn's Health Care Fraud Division should be used as a model for the rest of the nation and I will continue to fight for the resources necessary to continue its terrific work."

"District Attorney Hynes and our fellow government agencies have been excellent partners in the fight against fraud, and we are proud to expand this partnership and pool our resources to ensure those who abuse the public's trust face justice," said HRA Commissioner Doar.

USA Lynch said, "With losses from health care fraud estimated at $60 billion dollars a year, it is vital that law enforcement leverage all our resources to combat this threat to public health. Every day, unscrupulous people seek to line their own pockets with funds at the expense of those who truly need medical care. Here in Brooklyn, we look forward to working with the able prosecutors of the Kings County District Attorney's Office to continue to hold accountable those who would seek to manipulate the healthcare system. This collaboration to combat Medicare and Medicaid fraud reflects our ongoing commitment to our community and taxpayers and demonstrates that we will take every step necessary to stamp out this widespread and dangerous fraud that impacts the health care needs of our citizens."

"Teaming up Federal and local law enforcement agencies amplifies our impact in the fight against Medicare and Medicaid fraud," said Daniel R. Levinson, Inspector General for the US Department of Health and Human Services. "Unscrupulous doctors and others seeking to profit illegally on the backs of taxpayers and our nation's most vulnerable patients are on notice. With our combined forces, the odds increase exponentially that their fraud schemes will be detected and prosecuted to the fullest extent of the law."

"With this new collaboration, I intend to have Lauren Mack, the head of my Healthcare Fraud Division, go after more cases with similar allegations to the ones that led the indictments against Dr. Ahmad and his codefendants, who may have cost taxpayers millions of dollars," said DA Hynes.

"I applaud District Attorney Charles J. Hynes' leadership in forming a unit devoted to healthcare fraud investigations, and Senator Schumer's hard work in securing the necessary resources to support this unit. These cases are difficult to make, but incredibly important," said Special Narcotics Prosecutor Bridget G. Brennan. "One unscrupulous and greedy doctor can singlehandedly drain millions in tax dollars. But beyond the financial cost, a doctor violates his oath and creates a grave threat to the public's health when he knowingly mishandles medications, such as those prescribed to HIV patients."

"When you take advantage of a program designed to help the most vulnerable, there will be consequences," said Commissioner Doar. "We will continue to work with the DA and our fellow agencies to ensure that criminals like the one indicted today are stopped and the integrity of the Medicaid program is maintained."

Dr. Naveed Ahmad is charged with billing Medicaid for more than $455,000 in unnecessary procedures and prescriptions and Medicare more than $10,000 in unnecessary procedures and proscriptions. However, the investigation continues, and records indicate Dr. Ahmad may have fraudulently billed Medicare for an additional $2 million and Medicaid an additional $716,000 for procedures and $7 million for prescriptions.

Dr. Ahmad is charged with getting patients through "steerers" who would pay Medicaid and Medicare recipients up to $300 to visit the doctor, bill their health plans and then fill prescriptions, which they then turned over to the steerers. Some of the steerers are also charged with using their own government health plans to make office visits and fill prescriptions. Dr. Ahmad is charged with providing patients only cursory examinations, before prescribing them HIV medications. Steerers and patients are charged with selling the medication on the black market, to actual HIV patients, or on a grey market, to wholesalers who would then sell them back to pharmacies for a profit. He is also charged with billing for services not rendered, and in some cases sending in monthly bills to provide patients with repeated procedures, such as endoscopies, which he never, in fact, performed.

Two undercover HRA investigators posed as Medicaid patients and visited Dr. Ahmad's office. One claimed to have HIV and the other told the doctor that he did not have HIV. The indictment charges that one was treated twice and her Medicaid account billed twice, and though she claimed to have HIV, she received prescriptions for HIV medication both visits without ever having any HIV tests conducted. The other undercover visited Dr. Ahmad only once. He presented Dr. Ahmad a list of HIV medications he wanted, and though he admitted not having HIV, the doctor prescribed some of the medications on the list, according to the indictment. The indictment charges that Dr. Ahmad did not give him any HIV-related test, but billed his Medicaid account for procedures neither needed nor administered. The indictment charges that both undercover officers' Medicaid accounts were billed for a total of $5,800. One of the office visits was captured on video.

Assistant District Attorney Jeffery Linehan worked on the case for the Office of the Special Narcotics Prosecutor. Special Agent Ronny Aguilar from the US Food and Drug Administration Office of Criminal Investigations worked on the case as well. HHS OIG Special Agent in Charge of the NY region Tom O'Donnell, along with more than 50 other HHS OIG agents, also worked on the case. Detective Investigator Michael Caruso was the lead investigator from the Brooklyn DA's office.

The case is being prosecuted by Assistant District Attorneys Sabrina Thanse, David Weiss, and Michelle Lambert, of the Healthcare Fraud Division. Lauren Mack is Chief of the Healthcare Fraud Division.

###

Contact: Jonah Bruno
(718) 250-2300