

FOR IMMEDIATE RELEASE

Tuesday, July 12, 2016

## **New Jersey Couple And Two Diagnostic Companies Ordered To Pay \$7.75 Million For Falsifying Diagnostic Test Reports And Failing To Properly Supervise Tests**

*Defendants to be Sentenced on Related Criminal Charges in August*

NEWARK, N.J. – A Morris County, N.J., couple and their diagnostic imaging companies were ordered to pay more than \$7.75 million for knowingly submitting false claims to Medicare for thousands of falsified diagnostic test reports and the underlying tests, U.S. Attorney for New Jersey Paul J. Fishman announced today.

Judge Stanley R. Chesler, sitting in Newark federal court, also found the defendants liable for knowingly submitting false claims for neurological tests conducted without physician supervision.

Judge Chesler ordered Nita K. Patel, 53, and Kirtish N. Patel, 53, both of Rockaway, New Jersey, and two companies that they owned and operated, Biosound Medical Services Inc. and Heart Solution PC, of Parsippany, New Jersey, to pay the United States \$5 million in damages and \$2.75 million in civil monetary penalties, plus interest for a total of \$7,756,865. Judge Chesler ordered these payments after granting the United States' motion for summary judgment on the two False Claims Act counts of a civil complaint that was filed in November 2015.

The Patels each pleaded guilty Nov. 17, 2015, to informations charging them with health care fraud related to this conduct. Sentencing is currently scheduled for Aug. 16, 2016, before U.S. District Judge William H. Walls.

The government's civil complaint alleged that defendants created fraudulent diagnostic test reports, forged physician signatures on these reports, and then billed Medicare for the fraudulent reports and the underlying tests that were used solely to create these reports. The complaint also alleged that defendants billed Medicare for neurological tests that they conducted without the required physician supervision.

The lawsuit was filed under the *qui tam*, or whistleblower, provisions of the False Claims Act. The Act allows private citizens with knowledge of fraud to bring civil actions on behalf of the government and to share in any recovery. The False Claims Act also permits the government to intervene in such lawsuits, as it has done in this case. The whistleblower – a former employee of Biosound who brought the misconduct to the government's attention – will receive 15 to 25 percent of the more than \$7.7 million recovered by the government.

U.S. Attorney Fishman credited special agents of the FBI under the direction of Special Agent in Charge Timothy Gallagher in Newark; and the U.S. Department of Health and Human Services – Office of the Inspector General, under the direction of Special Agent in Charge Scott J. Lampert, with the investigation leading the judge’s order.

The government is represented by Assistant U.S. Attorney Charles Graybow of the U.S. Attorney’s Office Health Care and Government Fraud Unit.

U.S. Attorney Paul J. Fishman reorganized the health care fraud practice at the New Jersey U.S. Attorney’s Office shortly after taking office, including creating a stand-alone Health Care and Government Fraud Unit to handle both criminal and civil investigations and prosecutions of health care fraud offenses. Since 2010, the office has recovered more than \$1.3 billion in health care fraud and government fraud settlements, judgments, fines, restitution and forfeiture under the False Claims Act, the Food, Drug, and Cosmetic Act and other statutes.

The *qui tam* case is captioned *U.S. ex rel. Jane Doe v. Heart Solution, PC, et al.*, No. 14-3644 (D.N.J.).

Defense counsel:

Kirtish Patel: Anthony Fusco Jr. Esq., Passaic, New Jersey

Nita Patel: Frank Arleo Esq., West Orange, New Jersey

Counsel for relator:

Timothy J. McInnis Esq., New York