



## Feds strike at Medicare fraud in Houston area

### City's ramped-up operation joins others nationwide

By CINDY HORSWELL  
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July 12, 2009, 9:07AM

When investigators recently raided a pain management clinic in the Clear Lake area, they found Dr. Arun Sharma seated in a chair facing a Medicare patient in a tiny room set aside for the copy machine. The clinic owner had four needles filled with colored liquids there ready for injection.

The patient, who admitted being addicted to hydrocodone, came to the Webster clinic every two weeks for the past four years to obtain the narcotic painkiller, according to a sworn affidavit.

Sharma, and his wife, Kiran, also a physician, are accused of operating a "pill mill" there and in Baytown. They are accused of illegally dispensing controlled substances, as well as filing millions of dollars worth of false Medicare claims for services never rendered.

The Sharmas' arrest on June 25 was followed the next day with the arrest of Umawa Imo, the owner of a physical therapy clinic on Bissonnet in Houston, who is accused of paying patients to

sign blank forms for false Medicare claims worth millions.

A Woodlands psychologist, Dr. Matthew Hamilton Leddy, turned himself into Montgomery County authorities the same day, accused of falsely billing for services for 67 patients that were never performed.

These Houston-area scams alleged in two FBI complaints and one Montgomery County indictment were among six reported nationally in a single week — representing at least \$285 million in false billings, records showed.

"This is an astounding amount," said Houston's FBI spokeswoman Pat Villafranca. The \$285 million is more than four times the amount stolen during robberies of U.S. banks during all of 2008, she said.

This month, Houston became the fourth metropolitan area — joining Miami, Los Angeles and Detroit — to create a ramped-up fraud strike force. It goes by the acronym "HEAT," Health Care Fraud Prevention and Enforcement Action Team.

"We are prioritizing cities with higher numbers of billing anomalies, showing a potential for illegal activity," said U.S. Justice Department spokeswoman Melissa Schwartz, explaining why a city with one of the world's largest medical centers has been targeted as a fraud hot spot.

The Texas Medical Center may attract individuals intent on committing fraud who think they might more easily "blend in" among the legitimate

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practices, FBI officials said.

### Striking with speed

Using cutting-edge technology, the strike force can identify Medicare irregularities at unprecedented speeds, completing in days what used to take months. The strike force harnesses resources from the Justice Department, U.S. Health and Human Services and law enforcement.

“There are ongoing investigations in Houston that I can’t talk about. But we expect more arrests to occur,” Schwartz said.

In 2007, the first HEAT task force was formed in Miami after computers detected an abnormally large number of claims for medical equipment such as scooters. A year later, after stricter regulation, the Miami area saw a dramatic 50 percent drop in equipment claims, which resulted in a \$334 million cut in Medicare costs.

Most recently, the Miami strike force targeted “home health care services” after a computer analysis showed one of every 15 Medicare dollars for home care nationwide was being spent in this one area. Ten home health firms there have had their licenses yanked because of \$100 million in suspicious billings.

President-elect of the Harris County Medical Society, Dr. William Gilmer, said recent reports of fraud, especially in the Houston area, make him furious.

“There’s not enough money in the Medicare and

Medicaid system to pay for what patients need now,” said Gilmer, a neurologist. “A few unscrupulous people can hurt everyone from the innocent patients to the doctors trying to treat them.”

He would like to see the Texas Medical Board empowered and better funded to fight such abuses.

While politicians argue over health care reform, U.S. Sen. John Cornyn, R-Texas, said the estimated \$60 billion loss in Medicare fraud each year must be addressed first. He said these losses could speed the collapse of the Medicare fund, which is projected to be insolvent in eight years. He has introduced a bill that calls for a “real-time surveillance program” to monitor claims.

### The ‘blessing’ defense

Meanwhile, the Sharmas are free on a \$1 million bond each. But because of a temporary restraining order, their clinics remained shuttered.

Their attorney, Chris Flood of Houston, said the government cannot prove the allegations. “The Sharmas see a large number of Medicare and Medicaid patients in chronic pain because a lot of other doctors won’t accept these patients,” he said. “You can say these patients are addicted to these drugs, or you could say the drugs are a blessing to those in pain.”

But FBI agent Kacey Gabriel painted a different

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picture in her affidavit. She said the Sharmas had threatened to withhold narcotic prescriptions from patients who did not sign forms for fictitious clinic visits that could be billed to Medicare.

In addition, patients, such as one identified only as "PP," reported receiving prescriptions — sometimes two on the same day — for as much as seven times the FDA's recommended daily allowance for a narcotic.

The doctors are also charged with conspiring to bill for millions in "facet joint injections," which are steroid injections into painful joints, that never took place.

From a search of the Sharmas' home in Kemah and two safety deposit boxes, investigators also recovered \$1.5 million in cash.

"If kept as 'petty cash,' it was not drawing interest. And most of it was wrapped in small denominations in white envelopes the way addicts pay," said Villafranca, with the FBI.

### 'Outrageous' accusations

The Houston physical therapy clinic owner, Imo, 54, of Richmond could not be reached for comment. He remained in federal custody and waiting for a public defender to be appointed.

According to a sworn FBI affidavit, Imo, a Nigerian native, obtained his Medicare provider number in 2006, the same year his bankruptcy ended.

The affidavit alleged Imo paid patients \$100 to \$150 to sign blank forms for therapy sessions that never happened. A former employee reported only one therapist worked there about 20 minutes per day and patients never used the exercise equipment except occasionally when Imo came out of his office and told them to do it.

In Montgomery County, the psychologist, Leddy, was released on \$110,000 bond. His attorney, Philip Hilder of Houston, calls the Medicare fraud charges "outrageous," saying investigators are relying on statements from individuals with psychological problems. The Texas attorney general's fraud division has accused Leddy, 51, of more than \$200,000 in false billings over a three-year period.

The three Houston-area cases represent at least \$35 million in false claims and those close to the investigation said that amount may triple after all their office records are reviewed.

"The staggering dollar amounts of the fraud alleged ... should serve as an indicator to all of us that health care fraud poses a major threat to the soundness of the nation's economy," said FBI Assistant Special Agent in charge Russell Robinson in Houston.

[cindy.horswell@chron.com](mailto:cindy.horswell@chron.com)

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