



THE UNITED STATES ATTORNEYS OFFICE
MIDDLE DISTRICT OF FLORIDA

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United States Settles False Claims Act Allegations Against Florida-Based Dermatology Practice For \$3 Million; Three Whistleblowers To Collect More Than \$500,000

Orlando, Florida - The United States has settled a lawsuit brought by three whistleblowers that alleges a central Florida based dermatology practice knowingly billed the government millions of dollars for procedures that lacked basic indicia of medical necessity and, in some cases, had been performed by unlicensed, uncredentialed, and unsupervised employees. The *qui tam* complaint, filed by three former employees of the clinic, alleges that the defendants – a dermatology practice and its owner – violated the False Claims Act (FCA) by knowingly submitting false claims to the government for payment.

The government announced today that it has reached a settlement with the defendant, Associates in Dermatology, and the physician who owned the practice, Dr. Michael Steppie. In reaching this settlement, the parties resolved allegations that, from January 1, 2009, until October 2013, Dr. Steppie operated a dermatology practice that had an unlicensed medical assistant performing radiation therapy without proper supervision. The whistleblowers, in many instances, alleged that the medical assistant lacked the basic knowledge to perform the tests she was performing. In addition, the allegations included that the clinic performed unnecessary destructions of skin lesions and that these destructions lacked proper documentation. Associates in Dermatology and Dr. Steppie agreed to pay the United States \$3 million dollars to resolve these allegations.

"The United States Attorney's Office is committed to taking the necessary steps to protect Medicare, TRICARE, and other federal health care programs from fraud," said A. Lee Bentley, III, U.S. Attorney for the Middle District of Florida. "By bringing FCA cases such as this, we recover funds obtained through fraud and deter others from attempting similar schemes."

"This case underscores how important it is for health care providers to properly document the services they bill to Medicare," stated Acting Special Agent in Charge Derrick Jackson of the U.S. Department of Health and Human Services - Office of Inspector General. "We will continue to work with our law enforcement partners to protect the integrity of federal health care programs."

This lawsuit was originally filed under the *qui tam* or whistleblower provisions of the False Claims Act by Katherine Brown, Amber Bradshaw, and Vanessa Santos, former employees at the clinic. Under those provisions, a private party, known as a relator, can file an action on behalf of the United States and receive a portion of the recovery. The three relators will receive more than \$500,000 as part of today's settlement.

This matter illustrates the government's emphasis on combating health care fraud and marks another achievement for the Health Care Fraud Prevention and Enforcement Action Team (HEAT) initiative, which was announced in May 2009 by the Attorney General and the Secretary of Health and Human Services. The partnership between the two departments has focused efforts to reduce and prevent Medicare and Medicaid financial fraud through enhanced cooperation. One of the most powerful tools in this effort is the False Claims Act. Since January 2009, the Justice Department has recovered more than \$23.4 billion through False Claims Act cases, with more than \$14.9 billion of that amount recovered in cases involving fraud against federal health care programs.

This case was investigated by Federal Bureau of Investigation, the Defense Criminal Investigative Services, the Health and Human Services - Office of Inspector General and Office of Counsel to Inspector General, and the Defense Health Agency Program Integrity Office. It was handled by Assistant United States Attorney Jason Mehta.

The claims resolved by this settlement are allegations only, and there has been no determination of liability. The lawsuit against the defendants was filed in the U.S. District Court for the Middle District of Florida and is captioned *United States ex rel. Brown et al v. Associates in Dermatology, Michael Steppie, and William Steele*.