



Department of Justice

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OWNERS OF LAWRENCE COUNTY MEDICAL CLINICS PLEAD GUILTY TO CONSPIRACY TO COMMIT HEALTH CARE FRAUD

CINCINNATI – Four people involved in the operation of Advanced Family Medical Center and Watkins-Tsai Imaging in Coal Grove, Ohio have pleaded guilty to conspiracy to commit health care fraud, admitting that they improperly charged government insurance programs for medically unnecessary procedures.

Carter M. Stewart, United States Attorney for the Southern District of Ohio, Ohio Attorney General Mike DeWine, Lamont Pugh III, Special Agent in Charge, U.S. Department of Health and Human Services Office of Inspector General, Bret Flinn, Resident Agent in Charge, Defense Criminal Investigative Service, and Antoinette V. Henry, Special Agent in Charge, U.S. Food and Drug Administration Office of Criminal Investigations, announced the pleas entered yesterday before Chief U.S. District Judge Susan Dlott.

Peter Tsai, 45, owner of Advanced Family Medical Center, his father and mother, Tahsiung Tsai, 73, and Ruey Tsai, 68, who owned Watkins-Tsai Imaging, and Peter Tsai's cousin, Wei Lih Sheih, aka "Wendy", 42, who worked for both clinics, admitted that they had conspired to defraud health care benefit programs including Medicaid, Medicare and Tri-Care between 2004 and 2013 when they were indicted.

According to court documents, both clinics operated out of the same building in Coal Grove. The conspirators performed numerous CT procedures that were unnecessary. For example, Peter Tsai diagnosed most of his patients with a condition called piriformis syndrome in order to give injections guided by his CT scan machine. The defendants also performed unnecessary diagnostic CT scans that were medically unnecessary, including multiple scans of the same body part for the same patient weeks apart. They also performed and billed for CT scans for medically unnecessary injections of an osteoarthritis product, Synvisc, in knees, including injection into young adults without any proper diagnosis of osteoarthritis. One patient received 108 CT-related procedures in a 40-month period.

The defendants were also charged with fraudulently inflating their bills to Medicare and Medicaid. Peter Tsai illegally imported misbranded Synvisc from other countries including Canada and Turkey, billed government insurance programs for the injections and transferred money into an account in a Canadian financial institution in order to buy the product. Peter Tsai pleaded guilty to one count of illegal importing of merchandise.

Conspiracy is punishable by a sentence ranging from probation to ten years in prison. Illegal importing of merchandise is punishable by up to 20 years in prison. Judge Dlott will schedule a date for sentencing and determine an amount of restitution the defendants must pay. As part of the plea agreement, Ruey Tsai and Tahsiung Tsai agreed to repay \$999,000, which will be credited toward any restitution ordered.

Stewart commended the cooperative investigation by agents and officers of the agencies named above, as well as Assistant U.S. Attorneys Timothy Mangan and Timothy Oakley, who are representing the United States.

Anyone suspecting health care fraud, waste or abuse can report it by calling the U.S. Department of Health and Human Services, Office of Inspector General at 800-447-8477. To learn more about health care fraud prevention and enforcement go to www.stopmedicarefraud.gov. Ohioans can report suspected instances of health care fraud to Attorney General DeWine's office by calling 1-800-282-0515.

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