



FOR IMMEDIATE RELEASE
Wednesday, April 9, 2014

For Information Contact:
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Physical Therapy Clinics to Pay \$2.78 Million To Resolve False Claims Act Allegations

WASHINGTON - Two companies that operate physical therapy clinics in Washington, D.C., Virginia, and Maryland, along with three individuals associated with the businesses, have agreed to pay the United States \$2.78 million to settle allegations that the firms' billings to Medicare and the TRICARE health care program violated the False Claims Act.

The settlement was announced today by Ronald C. Machen Jr., U.S. Attorney for the District of Columbia; Nicholas DiGiulio, Special Agent in Charge of the U.S. Department of Health and Human Services, Office of Inspector General (HHS-OIG), for the region that includes Washington, D.C., and Robert E. Craig, Special Agent in Charge of the Mid-Atlantic Field Office of the Defense Criminal Investigative Service (DCIS).

The companies -- Alliance Rehabilitation, LLC and Active Physical Therapy Services, LLC -- submitted invoices to Medicare and TRICARE through a consolidated billing office in Fairfax, Va., that was managed and overseen by Geeta Trehan, of Virginia. The companies' owners, Thomas Bray and Rajeev Gupta, both of Maryland, also managed the operations.

The settlement resolves allegations that, between January 2007 and August 2012, the companies submitted claims which falsely represented that the physical therapy services being billed were either rendered or directly supervised by the physical therapist identified on the claims by his or her National Provider Identifier (NPI) number. In fact, the physical therapist identified on the claim had no involvement in the services rendered. The settlement also resolves allegations that Alliance Rehabilitation, LLC, and Active Physical Therapy Services, LLC, sought payment from TRICARE for physical therapy services that were not provided by the physical therapist identified on the claim.

In addition to the False Claims Act settlement, the companies and Trehan, Bray, and Gupta have entered into a five-year Corporate Integrity Agreement with the U.S. Department of Human Health

and Services Office of Inspector General. That agreement imposes integrity obligations on each of the entities and individuals and requires them, among other things, to retain an independent review organization to review their coding, billing, and claims submissions to Federal health care programs.

“These physical therapy clinics overbilled the federal programs that provide health care to senior citizens and military families,” said U.S. Attorney Machen. “If health care providers want to be paid for their services with taxpayer dollars, they have to play by the rules. Americans deserve to know that they are getting their money’s worth. This nearly \$2.8 million settlement is part of our continued fight to protect taxpayers and to ensure the integrity of federal health care programs.”

“When health care companies and the individuals who run them try to enrich themselves by misrepresenting the medical services they bill to taxpayer-funded health care programs, we will make sure they are held accountable for their deceptive schemes,” said Special Agent in Charge DiGiulio.

“The Defense Criminal Investigative Service seeks to hold those accountable who jeopardize the Department of Defense's objective to provide affordable and safe health care to the men and women serving in the armed forces,” said Special Agent in Charge Craig. “Current and former soldiers deserve adequate care. Health care providers who seek financial gain through inaccurate billing processes and irresponsible treatment of their patients will continue to be diligently investigated by DCIS agents in partnership with the DOJ and other law enforcement agencies. We are extremely pleased with the outcome of this investigation.”

The conduct at issue was brought to light through a lawsuit that was filed in the U.S. District Court for the District of Columbia by two former Alliance employees under the *qui tam*, or whistleblower provisions, of the False Claims Act. The False Claims Act is one of the government’s most powerful tools in the effort to combat fraud on federal programs. The Act allows private citizens to bring suit on behalf of the United States and share in any recovery obtained by the government. In this case, the two former Alliance employees will receive more than \$400,000 as their share of the government’s recovery.

This settlement was the result of a coordinated investigative effort by the U.S. Attorney’s Office for the District of Columbia, the Department of Health and Human Services Office of Inspector General, and the Defense Criminal Investigative Service.

The claims settled by this agreement are allegations only, and there has been no determination of liability. The case is United States *ex rel.* Angel and Natal v. Alliance Rehabilitation LLC et al., Civil Action No. 10-cv-02124 (D.D.C.).