

OWNERS OF LAWRENCE COUNTY MEDICAL CLINICS CHARGED WITH HEALTH CARE FRAUD

FOR IMMEDIATE RELEASE
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CINCINNATI – A federal grand jury has charged four people with health care fraud, alleging that they improperly charged government insurance programs for medically unnecessary procedures in connection with two medical clinics they owned and operated in Coal Grove, Ohio.

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 Investigation Service, Antoinette V. Henry, Special Agent in Charge, U.S. Food and Drug Administration Office of Criminal Investigations, Lawrence County Sheriff Jeff Lawless and Coal Grove Police Chief Eric Spurlock announced the charges in a four-count indictment unsealed today after agents arrested three of the defendants.

The indictment alleges that Peter Tsai, 44, owner of Advanced Family Medical Center, his father and mother, Tahsiung Tsai, 72, and Ruey Tsai, 66, who owned Watkins-Tsai Imaging, and Peter Tsai's cousin, Wei Lih Sheih, aka "Wendy", 41, who worked for both clinics, conspired to defraud health care benefit programs including Medicaid, Medicare and Tri-Care.

Agents arrested Peter Tsai, Tahsiung Tsai and Ruey Tsai this morning. They were taken to Cincinnati for their initial appearance before U.S. Magistrate Judge Karen Litkovitz and were released on recognizance bond after they surrendered their passports. Wei Lih Sheih also had her initial appearance and was released on a recognizance bond.

"The grand jury has charged them with performing diagnostic CT scans that were medically unnecessary, including multiple scans of the same body part for the same patient weeks apart," U.S. Attorney Stewart said. "They are also charged with performing and billing 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."

The defendants are also accused of performing and billing for CT scans related to medically unnecessary injections for purported piriformis syndrome, a problem affecting muscles in the back, and ignored and/or stopped documenting statements and complaints from patients that the injections were not working or were not wanted. The indictment also accuses them of illegally importing misbranded Synvisc from other countries including Canada and Turkey and billing government insurance programs for the injections and transferring money into an account in a Canadian financial institution in order to buy the product.

"We take allegations of health care fraud very seriously," said Ohio Attorney General Mike DeWine. "We will not tolerate those who seek to overbill and perform unnecessary tests on patients." All four defendants are charged with conspiracy, which is punishable by a sentence ranging from

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probation to ten years in prison. Peter Tsai, Tahsiung Tsai and Ruey Tsai are also charged with health care fraud, a crime also punishable by up to ten years in prison. Peter Tsai is also charged with smuggling, a crime punishable by up to 30 years in prison and money laundering which is punishable by up to 20 years in prison.

The indictment seeks forfeiture of all proceeds they received as a result of the conspiracy.

Stewart commended the cooperative investigation by agents and officers of the agencies named above, as well as Assistant U.S. Attorney Timothy Mangan, who is representing the United States in the case.

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.

An indictment is only a charge and is not evidence of guilt. The defendants are entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

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