

WHISTLEBLOWER LAW COLLABORATIVE

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POWDERHOUSE LAW

United States Recovers \$13.4 Million in False Claims Act Case for Medically Unnecessary Cardiac Monitoring Services

For Immediate Release

BOSTON –June 26, 2017 – Attorneys Suzanne E. Durrell and Robert M. Thomas, Jr. of the Whistleblower Law Collaborative are pleased to announce that the United States has settled a federal False Claims Act case brought by their whistleblower client, Eben Steele, against Medi-Lynx Cardiac Monitoring, LLC, AMI Monitoring, Inc., Spectacor, LLC, and others.

Medi-Lynx, AMI, and Spectacor operate as Independent Diagnostic Testing Facilities providing remote cardiac monitoring services to health care providers such as physicians and hospitals who use the Defendants' PocketECG monitoring device. Under the terms of the settlement, the companies and Joseph H. Bogdan, owner of AMI and Spectacor, have agreed to pay more than \$13.4 million to resolve allegations that they defrauded Medicare through a scheme to cause unwitting physicians to order cardiac monitoring services at the greatest level of reimbursement regardless of medical necessity or reasonableness. Defendants designed and used an online enrollment portal to steer physician customers who used the Defendants' PocketECG device to select the most expensive monitoring service, telemetry, for their Medicare patients even though the physicians intended to select less expensive monitoring services, such as Holter or event monitoring. Through this scheme, Defendants submitted, and caused the submission of, false claims to Medicare for unnecessary and unreasonable telemetry services.

Eben Steele, a former employee of AMI/Spectacor, brought Defendants' fraud to light by filing a complaint under the False Claims Act in March 2014 in U.S. District Court in New Jersey. Under the False Claims Act, a private citizen (known as a "relator") who suspects or knows of fraud against the government can act as a whistleblower and file a sealed complaint on behalf of the government. If the case is successful, the relator is entitled to a share of the government's recovery. For his efforts, Mr. Steele will receive some \$2.43 million from the government.

Mr. Steele, who had been in the industry for many years, explained: "I was offended by this underhanded scheme. Not only was it overriding the doctor's judgment about what the patient needed, but it was lining the Defendants' pockets at the expense of the taxpayer. I am very grateful to Bob Thomas and Suzanne Durrell for helping me right this wrong and guide me through the process. I also want to thank Assistant U.S. Attorney Bernard Cooney who grasped the scheme quickly, and worked with us to aggressively pursue the case. I greatly appreciate everyone's hard work."

Ms. Durrell commended Mr. Steele for coming forward. "He was rightfully disturbed by the electronic sleight of hand the Defendants were using to trick doctors into ordering unnecessary and expensive monitoring. Whistleblowers like him are vitally important in the fight against health care fraud."

Mr. Thomas added, "Mr. Steele was a pleasure to work with and we cannot overstate the outstanding work of the New Jersey U.S. Attorney's Office, particularly Assistant U.S. Attorney Bernard Cooney, who tenaciously led the prosecution, and Assistant U.S. Attorney Andrew Caffrey. We are also grateful for the strong support provided by investigators in the U.S. Attorney's Health Care & Government Fraud Unit and at the Office of Inspector General of the Department of Health and Human Services."

Ms. Durrell and Mr. Thomas were aided by excellent local counsel, Neil S. Cartusciello and James A. Kozachek of Cartusciello & Kozachek, LLC in Bordentown, New Jersey.

A copy of the U.S. Attorney for the District of New Jersey's press release is <https://www.justice.gov/usao-nj/pr/cardiac-monitoring-companies-and-executive-agree-pay-134-million-resolve-false-claims-act>.

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The Whistleblower Law Collaborative is recognized nationwide for its successful representation of whistleblowers, and handles cases involving the federal and state false claims acts, as well as the SEC and IRS whistleblower programs. Successes for its clients include health care fraud cases against Amgen, International Nephrology Network, Elan, Eisai, Forest Labs, Pfizer, Serono, Amedisys, and WellCare Health Plans.