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**Department of Justice**

U.S. Attorney's Office

Western District of Missouri

FOR IMMEDIATE RELEASE

Thursday, April 20, 2017

## **Owner of Independence Clinic Pleads Guilty to Health Care Fraud Scheme**

KANSAS CITY, Mo. – Tom Larson, Acting United States Attorney for the Western District of Missouri, announced that the owner of an Independence, Mo., medical clinic pleaded guilty in federal court today to his role in a fraud scheme that involved disability examinations of veterans and to making false statements regarding his role in the physical examinations of commercial truck drivers.

David L. Biersmith, 80, of Kansas City, waived his right to a grand jury and pleaded guilty before U.S. District Judge Howard F. Sachs to a federal information that charges him with one count of health care fraud and one count of making false statements to a federal agency.

Biersmith was the owner and president of Industrial Medical Center (IMC) in Independence. Although Biersmith had no medical license or other medical credentials, IMC was a drug- and DNA-testing center and had contracts with various entities to provide medical services to patients and to provide drug testing and physical examinations for drivers of commercial motor vehicles.

On April 23, 2013, Biersmith signed a contract with Logistics Health, Inc., to provide disability examinations for veterans to determine the extent of veterans' impairments and eligibility for benefits. Initially those examinations were conducted by a licensed physician at IMC. When the physician left in July 2013, Biersmith directed Wayne W. Williamson, 74, of Kansas City, and another person to perform the examinations, although they were not authorized to do so under the contract with Logistics Health. Williamson was formerly a physician but lost his medical license due to an earlier fraud scheme and a narcotics distribution charge.

In a separate but related case, Williamson pleaded guilty on Jan. 17, 2017, to health care fraud. Williamson was a medical consultant at IMC during various periods beginning at least as early as 2013 through at least March 2015.

Williamson was formerly a medical doctor but voluntarily surrendered his medical license in 2010 after he pled guilty to health care fraud; conspiracy to distribute Oxycotin, Percocet, and Xanax; and harassing or attempting to harass an investigator with the Missouri State Board of Healing Arts. Williamson was sentenced to three years in federal prison and permanently excluded from participation in Medicare or Medicaid programs.

Williamson admitted that he performed disability examinations for the Department of Veterans Affairs under IMC's contract with Logistics Health. This was done in violation of Logistic Health's contract with the Department of Veterans Affairs, which required that disability examinations be conducted by credentialed providers and that the examiners must have a clear and unrestricted license and not be excluded from participation in the Medicare or Medicaid programs.

IMC falsely represented that a licensed physician had completed and electronically signed the Disability Benefits Questionnaires. IMC submitted invoices to Logistics Health to be paid for 209 disability examinations on 53 veterans. In turn, Logistics Health submitted invoices to the Department of Veterans Affairs for the disability examinations performed by its subcontractor, IMC. The Department of Veteran's Affairs paid Logistics Health \$39,155 for the disability examinations performed by its subcontractor, IMC.

In April 2014, Logistics Health contacted the Department of Veterans Affairs—Office of Inspector General hotline and reported the fraudulent activity. Because a credentialed provider did not conduct the disability examinations, the Department of Veterans Affairs had to re-adjudicate all those claims. Some veterans had to be physically re-examined, and others had their claim file reviewed.

In addition to the health care fraud, Biersmith admitted that he made materially false and fraudulent statements related to IMC's drug testing and medical examinations on drivers of commercial motor vehicles. Those examinations are required by Department of Transportation regulations. In a signed affidavit provided to federal agents, Biersmith stated that he had only signed a "few" physicals and only before, during, or after an examination had been performed by a chiropractor. In fact, Biersmith admitted today, he signed at least 65 such documents using the chiropractor's name, including instances when the chiropractor did not perform the exam.

Under federal statutes, Biersmith is subject to a sentence of up to 15 years in federal prison without parole. The maximum statutory sentence is prescribed by Congress and is provided here for informational purposes, as the sentencing of the defendant will be determined by the court based on the advisory sentencing guidelines and other statutory factors. A sentencing hearing will be scheduled after the completion of a presentence investigation by the United States Probation Office.

This case is being prosecuted by Assistant U.S. Attorneys Cindi S. Woolery and Gregg R. Coonrod. It was investigated by the Department of Veterans Affairs—Office of Inspector General, the Department of Transportation—Office of Inspector General, the Department of Labor—EBSA and the Department of Health and Human Services—Office of Inspector General.

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**Topic(s):**

Health Care Fraud

**Component(s):**

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