



U. S. Department of Justice

United States Attorney
Northern District of Illinois

Patrick J. Fitzgerald
United States Attorney

Federal Building
219 South Dearborn Street, Fifth Floor
Chicago, Illinois 60604
(312) 353-5300

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www.usdoj.gov/usao/iln

PRESS CONTACTS:
AUSA Linda Wawzenski (312)353-1994
Randall Samborn (312) 353-5318

FORMER AREA PHYSICIAN AGREES TO \$20 MILLION SETTLEMENT WITH U.S. COVERING CIVIL FALSE CLAIMS ALLEGATIONS BY WHISTLE-BLOWER

CHICAGO — A former Chicago area physician, who was sentenced last month to five years in prison for stealing millions of dollars from Medicare and more than 30 other public and private health care insurance programs, has agreed to a \$20 million settlement with the United States covering related civil claims, federal officials announced today. **Sushil Sheth**, a cardiologist who had privileges at three area hospitals, had pleaded guilty to health care fraud for lying thousands of times to Medicare and other insurers in order to receive millions of dollars he did not earn for patients he never treated. Sheth used the fraud proceeds to live a lavish lifestyle, purchasing a suburban mansion, property in Arizona, luxury automobiles, and investing in various venture capital opportunities.

Sheth, 50, of Burr Ridge and whose office was in Flossmoor, is scheduled to begin serving his 60-month prison term next month. He was also ordered to pay restitution totaling approximately \$13 million, and he agreed to forfeit property and funds totaling more than \$11.3 million that the government seized from him.

In the separate civil case, Sheth has agreed to pay the United States \$20 million to settle allegations of fraudulent billing between 2002 and 2007, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois. A federal False Claims Act lawsuit filed in 2006 by a fellow physician was unsealed after the United States negotiated the settlement. The agreement calls for the whistle-blower, Dr. Lokesh Chandra, to receive 17.5 percent of any amounts collected from Sheth by the United States or the State of Illinois. *United States of America and the State of Illinois, ex rel. Lokesh Chandra v. Sushil A. Sheth, M.D.*, 06 C 2191 (N.D. Ill.)

According to the civil lawsuit, Dr. Chandra contracted with Sheth to have him cover hospital rounds and patients when Dr. Chandra was out of town or otherwise unavailable. Sheth saw patients for Dr. Chandra and others at Ingalls Memorial Hospital in Harvey and Advocate South Suburban Hospital in Hazel Crest. Sheth also had privileges at St. Margaret Mercy Healthcare Centers in Hammond. Between 2002 and 2007, Sheth submitted false claims seeking payment from Medicare and Medicaid for services at the highest level of in-patient cardiac care when, in fact, those services were not performed.

The settlement was reached on behalf of Dr. Chandra and the U.S. Department of Health and Human Services Office of Inspector General; the Office of Personnel Management (OPM), which administers the Federal Employees Health benefits Program; the Railroad Retirement Board Office of Inspector General; TRICARE Management Activity (U.S. Defense Department); and the Illinois Department of Health and Family Services.

The agreement provides that any amounts recovered will be distributed as follows: Medicare — 97.776 percent; Medicaid — 0.004 percent; OPM — 2.106 percent; TRICARE — 0.114 percent.

It also provides that any amounts paid to the United States as criminal restitution will be credited against the \$20 million judgment.

Under the federal False Claims Act, defendants may be liable for triple the amount of actual damages and civil penalties between \$5,500 and \$11,000 for each violation. Individual whistleblowers may be eligible to receive between 15 and 25 percent of the amount of any recovery in cases where the government intervenes.

In the criminal case, Sheth admitted using his hospital privileges to obtain information about patients without their knowledge or consent. He then hired individuals to bill Medicare and other insurance providers for medical services that he purportedly rendered to patients whom he knew he never treated. Typically waiting almost a year after the treatment was purportedly provided, Sheth submitted more than 14,800 false claims for reimbursement for providing the highest level of cardiac care — requiring hands-on treatment in an intensive care unit — on multiple days during patients' hospital stays. Sheth regularly submitted claims seeking payment that, when added together, had him providing more than 24 hours of medical services and treatment in a single day.

The investigation was conducted by the U.S. Department of Health and Human Services Office of Inspector General in Chicago; the Chicago Office of the Federal Bureau of Investigation; the U.S. Department of Labor Office of Inspector General in Chicago; the Chicago Regional Office of the U.S. Department of Labor Employee Benefits Security Administration, and the Inspector General's Offices of the Office of Personnel Management and the Railroad Retirement Board.

The government was represented in the civil case by Assistant U.S. Attorney Linda Wawzenski.

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