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Indictment Charges Two Doctors With Fraud

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By: From the Dept. of Justice

SPRINGFIELD (DOJ) -- A federal grand jury has charged the owner of the Nutrition Clinics, based in Rockford, Ill., as well as an associate physician with defrauding government and private insurers, as well as patients, of as much as \$24 million from unwarranted medical tests and false billings for doctor visits. Dr. Gautam Gupta, 56, of Rockford and Dr. Rakesh Wahi, 57, of Mount Prospect, Ill were both charged in the indictment. At its peak, Nutrition Clinic operated at locations in Rockford, South Beloit, Naperville, Arlington Heights, and Chicago, and advertised extensively for patients using television and radio.

The court has ordered Wahi to appear before U.S. Magistrate Judge Byron G. Cudmore in Springfield on Aug. 15. Gupta, previously charged in a criminal complaint filed on June 13, 2011, remains a fugitive.



Self-described as a 'weight-loss clinic,' according to the indictment, the Nutrition Clinic is owned by and operated primarily by Gupta, who was most directly responsible for the treatment and billing of patient services. Wahi became formally associated with the practice in September 2003, and as a medical doctor oversaw the medical processes, staff, and procedures at the locations to which he was assigned by Gupta.

The indictment alleges that from 2003 through at least January 2010, Gupta and Wahi, both licensed to practice medicine in Illinois, implemented and enforced policies and procedures at the clinics that benefitted them financially and resulted in submission of various fraudulent claims for payment. The claims were primarily for patients with certain insurance coverage, including those enrolled in Medicaid and Blue Cross Blue Shield of Illinois (BCBS), a private insurer. The alleged fraudulent claims include payment for testing that was not medically necessary, including extensive blood screenings, echocardiograms, thyroid ultrasounds, and nuclear stress tests, and for follow-up visits billed as if a doctor examined the patient, when in fact, various unlicensed personnel actually saw and dispensed controlled substances given to patients for weight loss.

From 2003 through 2010, according to the indictment, Gupta and Wahi were paid approximately \$2.28 million by the State of Illinois and the U.S. government from the Medicaid program for claims submitted for weight loss visits, tests and procedures. For the same time period, Gupta and Wahi were paid approximately \$22 million for similar claims submitted to BCBS.

The indictment alleges that on multiple occasions from 2003 to 2010, Gupta and Wahi examined patients who came to the clinic seeking to lose weight. Under the doctor's direction, a "medical assistant" would draw blood and administer a brief EKG. Gupta, Wahi, or another at their direction, allegedly performed a cursory physical examination of the patient and regardless of

the results of the EKG, if the patient had insurance, would order that the patient undergo an echocardiogram. Starting in late 2006, patients were also ordered to undergo an ultrasound examination of the thyroid, even though doctors had not received or examined results of the patient's blood tests. On multiple occasions, as alleged in the indictment, if a patient was covered by private insurance, primarily BCBS, they would also be referred for a thallium stress test,

typically conducted by Wahi. If a patient did not have insurance, no additional testing, other than a basic blood test, was ordered.

According to the indictment, Medicaid does not pay for tests used for screening as part of a weight loss program, and if tests are billed with no symptoms to justify the test, there is no reimbursement. Because of this requirement, Gupta and Wahi allegedly set and enforced practices and procedures resulting in false diagnoses or symptoms reported to Medicaid to justify the various tests.

Further, on multiple occasions, Gupta and Wahi allegedly required patients to return to the clinics for 'follow up visits' to continue to receive controlled substances and for weight loss 'counseling.' According to the indictment, Gupta established and Wahi oversaw policies and procedures that billed the follow up visits as if the patient had been examined by a doctor. In fact, patients rarely, if ever, saw a doctor or physician assistant during the 'follow up' visits, and instead saw assistants who had little, if any, appropriate medical training, qualifications or licensing for counseling or to dispense controlled substances.

The indictment, which was returned late yesterday afternoon by the grand jury, charges both Gupta and Wahi with one count of conspiracy to commit fraud and seven counts of mail fraud. Each is also charged separately with one count of health care fraud. If convicted, each count of mail fraud carries a maximum statutory penalty of 20 years in prison and a \$250,000 fine; the penalty for health care fraud is up to 10 years in prison and a \$250,000 fine. For conspiracy to commit fraud, the penalty is up to five years in prison. The court may also order that restitution be paid to those victimized by the crime.

The indictment also seeks a personal money judgment against each of the defendants for the gross proceeds traceable to the violations, which may be offset by any proceeds the government may acquire from criminal forfeiture of various vehicles and property located at 1660 N. Mulford Road, Rockford, Ill., Gupta's residence, and real estate located at 126 N. Church Street; and at 408, 410, 412, and 414 E. State Street, Rockford, Ill.

The investigation was conducted by agents and investigators with the Illinois State Police Medicaid Fraud Control Bureau, the Federal Bureau of Investigation, and U.S. Health and Human Services Office of Inspector General as well as other agents of the Central Illinois Health Care Fraud Task Force which includes agents and investigators with the U.S. Postal Inspection Service, IRS, Illinois Attorney General's Office and the Illinois Department of Health and Family Services.

Assistant U.S. Attorney Patrick D. Hansen is prosecuting the case. Members of the public are reminded that an indictment is merely an accusation; the defendants are presumed innocent unless proven guilty.

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