



The City of New York  
Department of Investigation

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**REMARKS OF DOI COMMISSIONER AT PRESS CONFERENCE ANNOUNCING ARRESTS  
IN CONNECTION WITH SCHEMES TO DEFRAUD MEDICAID AND MEDICARE**

I want to thank Special Narcotics Prosecutor Bridget Brennan; James Hunt, Special Agent in Charge of DEA's New York Division; Special Agent in Charge Scott Lampert from the Office of the Inspector General for the U.S. Department of Health and Human Services; Acting Brooklyn District Attorney Eric Gonzalez, and all of our law enforcement partners standing with us today – for their dedicated partnership on this investigation.

These defendants callously used the plague of opioid addiction in New York City to exploit and steal millions from publicly-funded healthcare.

They manipulated some of the most vulnerable New Yorkers at a time when we are seeing increasing numbers of deaths involving opioid overdoses, more than 1,000 in calendar year 2016.

In fact, our investigation found that these defendants commandeered the insurance plan for City residents, MetroPlus, a wholly-owned subsidiary of Health + Hospitals, the City's public hospital system. Of the \$24 million in government healthcare funds paid out to the defendants' fraudulent operations, more than half went through MetroPlus.

These crimes raise costs for all of us. There really is no other way to say it than this: The kind of corruption described in these indictments is a cancer that saps taxpayer-funded Medicaid and Medicare, and further stretches the City's cash-strapped Health + Hospitals system.

This investigation marks the very first series of arrests involving DOI's newly created Office of the Inspector General for Health + Hospitals. The office provides an independent, investigative body overseeing Health + Hospitals and is now staffed with a team of experienced investigators, including those with drug enforcement expertise.

Let me be clear, this is only our first investigation into overbilling of the City's MetroPlus insurance company. It is not our last.

The examination uncovered claims for unnecessary medical tests such as electrocardiographs and nerve conduction studies. And there was only one goal – to make a profit for these 13 defendants.

In total, the defendants' fraudulent activities netted them \$13 million in publicly-funded healthcare benefits from MetroPlus. That's \$13 million that would have otherwise gone to the City's Health + Hospitals.

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That's \$13 million in public health funds that could have paid for:

- 120,000 breast cancer screenings or
- 55,000 colonoscopies or
- 264,000 prostate cancer screenings

Those are real dollars, for real medical tests, which can help real patients.

I want to thank MetroPlus for working with us throughout this investigation.

And I especially want to thank the dedicated team at DOI that worked on this case from DOI's Office of the Inspector General for Health + Hospitals: Inspector General Jonathan Weiner, First Deputy Inspector General Andrew Weiss, Deputy Inspector General Blair Winston, Assistant Inspector General Philip Hung, Chief Investigator Cornelius Clancy and Confidential Investigators Lauren Capozzi and Alfred Hernandez, under the guidance of Associate Commissioner Paul Cronin, Deputy Commissioner Michael Carroll and First Deputy Commissioner Lesley Brovner.

One last important note. To assist those patients who rely on the clinics involved in today's case, flyers will be posted at the clinic sites that have the various agency helplines for patients to call. The media has also received this flyer today and we would appreciate it if you can publicize these numbers as a public service. Thank you.

Indictments are accusations. Defendants are presumed innocent until proven guilty.

*DOI is one of the oldest law-enforcement agencies in the country and New York City's corruption watchdog. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City. DOI's strategy attacks corruption comprehensively through systemic investigations that lead to high-impact arrests, preventive internal controls and operational reforms that improve the way the City runs.*

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