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DME Company Admits Role in Kickbacks



THE UNITED STATES ATTORNEY'S OFFICE
DISTRICT *of* NEW JERSEY

Owner of Durable Medical Equipment Companies Admits Role in \$16 Million Dollar Kickback Scheme
Friday, November 13, 2020

NEWARK, N.J. – The owner of a group of related durable medical equipment (DME) companies admitted November 13, 2020 his role in a conspiracy to pay kickbacks in exchange for durable medical equipment, Attorney for the United States Rachael A. Honig announced.

Albert Davydov, 28, of Rego Park, New York, pleaded guilty by videoconference before U.S. District Judge Kevin McNulty to an indictment charging him with conspiring to violate the Anti-Kickback statute.

According to documents filed in this case and statements made in court:

Davydov, the owner of nine DME companies, participated in a scheme to pay kickbacks in exchange for doctors' orders for medically unnecessary orthotic braces. Once Davydov and his conspirators

received the completed doctor's orders, they billed Medicare and other federal and private health care benefit programs for the braces. Davydov concealed his ownership of the DME companies by falsely reporting to Medicare that various straw owners owned the companies.

As part of his plea agreement, Davydov agreed that the improper benefit conferred was over \$16 million for the charged conspiracy to violate the federal Anti-Kickback statute. The conspiracy charge to which Davydov pleaded guilty carries a maximum penalty of five years in prison and a fine of \$250,000, or twice the gross gain or loss from the offense, whichever is greatest.

Special agents of the FBI, the Department of Health and Human Services-Office of Inspector General, and the U.S. Department of Veterans Affairs Office of Inspector General were credited with this investigation.

**Keep track of your Medicare Summary Notices or Medicare Advantage Explanation of Benefits. If a fraudulent DME provider has billed for anything in your name, you will see it. Report any unnecessary or unordered supplies to your local SMP office in MT
1-800-551-3191.**

With the announcement that vaccines will be forthcoming, be on the lookout for new scams.

- Protect your Medicare number and only provide it to your doctor and Medicare providers
- Be cautious of anyone calling you or going door to door to offer free coronavirus testing, supplies, or treatments
- Don't fall for scare tactics or time-sensitive offers
- Follow your local health department for instructions and guidance



Risk of COVID-19 scams as vaccine approaches FDA approval

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WASHINGTON (AP) — The coronavirus vaccine inching toward approval in the U.S. is desperately anticipated by weary Americans longing for a path back to normal life. But criminals are waiting, too, ready to use that desperation to their advantage, federal investigators say.

Homeland Security investigators are working with Pfizer, Moderna and dozens of other drug companies racing to complete and distribute the vaccine and treatments for the virus. The goal: to prepare for the scams that are coming, especially after the mess of criminal activity this year with phony personal protective equipment, false cures and extortion schemes.

“We’re all very excited about the potential vaccine and treatments,” said Steve Francis, assistant director for global trade investigations with Homeland Security Investigations. “But I also caution against these criminal organizations and individuals that will try to exploit the American public.”

No vaccine has yet been approved by the U.S. Food and Drug Administration. The FDA has approved the first treatment for COVID-19, the antiviral drug remdesivir.

“When you have anything in high demand and limited supply, there is going to be fraud,” she said. Desperation will drive people around normal channels.

READ MORE:

<https://www.pbs.org/newshour/nation/risk-of-covid-19-scams-as-vaccine-approaches-fda-approval>

ICE pivots to combat COVID-19 vaccine fraud with launch of Operation Stolen Promise 2.0

To counter this emerging public safety threat, Operation Stolen Promise 2.0 will build upon Operation Stolen Promise, with the specific goal of countering the threat of counterfeit vaccines, treatments, and supplies. ICE HSI will do this by disrupting and dismantling fraud schemes, removing illicit websites and other online marketplaces and seizing counterfeit or illicit vaccines and treatments.

As part of this effort, the agency is also highlighting ways that the public can protect itself against fraud involving counterfeit vaccines and treatments. ICE encourages the public to visit ice.gov for additional information.

FULL STORY:

<https://www.ice.gov/news/releases/ice-pivots-combat-covid-19-vaccine-fraud-launch-operation-stolen-promise-20>

The Senior Medicare Patrol (SMP) helps to educate Medicare beneficiaries about ways to prevent, detect, and combat Medicare fraud. For more information about Medicare fraud, visit the Stop Medicare Fraud website at www.stopmedicarefraud.org.