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THE UNITED STATES ATTORNEY'S OFFICE  
MIDDLE DISTRICT *of* FLORIDA

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**Department of Justice**

U.S. Attorney's Office

Middle District of Florida

FOR IMMEDIATE RELEASE

Friday, October 13, 2017

## **Jacksonville Cardiovascular Practice Agrees To Pay More Than \$440,000 To Resolve False Claims Act Allegations For Failing To Reimburse Government Health Care Programs**

Jacksonville, FL – Acting United States Attorney W. Stephen Muldrow announces that First Coast Cardiovascular Institute, P.A. ("FCCI") has agreed to pay \$448,821.58 to resolve allegations that it violated the False Claims Act by knowingly delaying repayment of more than \$175,000 in overpayments owed to Medicare, Medicaid, TRICARE, and the Department of Veterans Affairs.

Specifically, the government alleges that FCCI accrued credit balances or overpayments owed to federal health care programs. These credit balances often occur in a medical practice, for example, when two insurers share responsibility for a payment and one pays too much. In 2009, amendments to the False Claims Act made it a violation to knowingly fail to pay back an obligation owed to the United States and its federal health care programs. Despite repeated warnings, FCCI failed to pay back the money it owed to Medicare, Medicaid, TRICARE, and the VA until being notified that the Department of Justice had opened an investigation into their failure to repay the government.

"When FCCI learned that it had received over \$175,000 in potential overpayments to federal health care programs in 2016, it had a legal obligation to return those funds within 60 days," stated Acting U.S. Attorney Stephen Muldrow. "Instead, they delayed repayment, ultimately retaining thousands of dollars to which they were not entitled. This settlement should send a message that we will aggressively pursue those who seek to unjustly profit from our nation's federal health care programs."

"This settlement is the result of successful inter-agency cooperation, resulting in the return of overpayments owed back to the government," stated Special Agent in Charge Monty Stokes from

the Office of Inspector General, U.S. Department of Veterans Affairs. “This settlement will hopefully be a deterrent for others who consider similar practices.”

“Failing to return Medicare overpayments is unacceptable and diverts critical tax dollars from their intended purpose,” said Special Agent in Charge Shimon R. Richmond of the U.S. Department of Health and Human Services, Office of Inspector General. “The OIG, along with our law enforcement partners, will hold health care companies accountable who knowingly hold onto Medicare funds to which they are not entitled.”

“This settlement demonstrates the ongoing commitment of the Defense Criminal Investigative Service to protect the integrity of the U.S. military health care program, known as TRICARE,” said Special Agent in Charge John F. Khin, Southeast Field Office. Through joint investigations with our investigative partners, DCIS aggressively pursues all remedies against medical providers who fail to deal honestly with the Department of Defense, to preserve our tax dollars where they are needed most.”

The settlement concludes a lawsuit originally filed by a former employee of FCCI, Douglas Malie, in the United States District Court for the Middle District of Florida. The lawsuit was filed under the qui tam, or whistleblower, provisions of the False Claims Act, which permit private individuals to sue on behalf of the government for false claims and to share in any recovery. The Act also allows the government to intervene and take over the action, as it did in this case. Mr. Malie will receive roughly \$90,000 of the proceeds from the settlement with FCCI.

The government’s action in this matter illustrates the government’s emphasis on combating health care fraud. One of the most powerful tools in this effort is the False Claims Act. Tips from all sources about potential fraud, waste, abuse, and mismanagement can be reported to the Department of Health and Human Services, at 800-HHS-TIPS (800-447-8477).

The settlement was the result of a coordinated effort by the U.S. Attorney’s Office for the Middle District of Florida, the State of Florida, the Defense Criminal Investigative Service, the Department of Veterans Affairs, and the U.S. Department of Health and Human Services – Office of Inspector General. It was handled by Assistant U.S. Attorney Shea Gibbons.

The case is captioned United States and the State of Florida ex rel. Malie v. First Coast Cardiovascular Institute, P.A., et al., Case No. 3:16-cv-10548-J-34MCR. The settlement resolves the United States’ claims in that case. The claims resolved by the settlement are allegations only, and there has been no determination of liability.

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**Topic(s):**

False Claims Act  
Healthcare Fraud

**Component(s):**

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