

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

Tuesday, February 12, 2019

## **Fort Myers Pain Management Physician Sentenced To Eighteen Months In Prison In Kickback Scheme**

Fort Myers, FL – U.S. District Judge Sheri Polster Chappell today sentenced Dr. Michael Frey (46, Fort Myers) to 18 months in federal prison for conspiracy to receive healthcare kickbacks. Frey had pleaded guilty in June 2018. In addition to his guilty plea, Frey previously agreed to a civil settlement in which he will pay \$2.8 million to the United States to resolve allegations that he violated the False Claims Act in a number of ways, including receiving illegal kickbacks and by ordering medically unnecessary laboratory tests.

During the time of the conspiracy, Frey was a practicing interventional pain management specialist and one of the two principal owners of Advanced Pain Management Specialists, P.A., which is located in Fort Myers.

According to the plea agreement, beginning in 2010, Frey conspired with the owners of A&G Spinal Solutions, LLC, a durable medical equipment provider operating in Fort Myers, to receive compensation in exchange for referrals to A&G Spinal. Frey was paid a percentage of A&G Spinal's profits based on his referrals and the referrals from other Advanced Pain providers. A&G Spinal compensated Frey through checks made payable to his wife. Through this arrangement, A&G Spinal created the impression that Mrs. Frey was an employee of A&G Spinal, when she was not.

The two principals of A&G Spinal, Ryan Williamson and William Pierce, previously pleaded guilty and have been sentenced to one year and nine months in prison, respectively, for conspiring to pay healthcare kickbacks to Frey.

In addition, from 2013 to 2015, Frey also received cash payments from Ryan Williamson in exchange for referrals of compound pharmaceutical pain cream prescriptions.

In his plea agreement, Frey also admitted that he had received kickbacks in the form of "speaker fees" paid to him in connection with his participation in largely bogus Insys Therapeutics, Inc. speaker event programs. Insys manufactures a fentanyl sublingual spray known as SUBSYS. Insys paid kickbacks to Frey to induce him to write prescriptions for their product.

"This sentencing of a medical provider who defrauded the Department of Defense TRICARE program should serve as a stern warning to any medical practitioners who believe they can get away with schemes to waste and divert precious taxpayer dollars for their personal gain," said Special Agent in Charge John F. Khin,

Southeast Field Office, Defense Criminal Investigative Service. “DCIS continues to protect the integrity of all critical DoD programs by aggressively investigating those who violate the law, and bringing them to justice.”

“Dr. Frey allowed bribes and greed to guide his decision making instead of his obligation to his patients,” said Shimon R. Richmond, Special Agent in Charge for the Office of Inspector General of the U.S. Department of Health and Human Services. “Today’s sentencing demonstrates that the OIG and our partners will hold accountable those intent on fraudulently lining their own pockets with precious tax dollars from government health care programs.”

This case was prosecuted by Assistant United States Attorneys Simon Eth and Rachel K. Jones, with assistance from the Defense Criminal Investigative Service, the U.S. Department of Health and Human Services–Office of Inspector General, and the U.S. Postal Service–Office of Inspector General.

Today’s resolution illustrates the government’s commitment to combating improper practices that implicate the nation’s federally subsidized health care programs, using all statutory and common law remedies available to address such schemes. 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 claims resolved by the civil settlement are allegations only, and there has been no determination of liability.

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**Topic(s):**

Opioids  
False Claims Act  
Financial Fraud  
Health Care Fraud

**Component(s):**

USAO - Florida, Middle

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