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Medical Director Convicted in Health Care Fraud Scheme

A federal jury convicted a Texas physician of engaging in a scheme that fraudulently billed TRICARE, the health care program for uniformed service members, retirees, and their families, for toxicology and genetic tests that were not provided as represented and/or were medically unnecessary.

According to court documents and evidence presented at trial, Dr. Sekhar Rao, 51, of Austin, was the medical director of the ADAR Group LLC. Rao authorized toxicology and genetic testing, including cancer genetic testing, for TRICARE beneficiaries without seeing, speaking to, or otherwise treating patients, and without incorporating the test results into ongoing treatment. In some cases, the patients did not know what they were being tested for. TRICARE beneficiaries were enticed to provide urine or saliva specimens in exchange for \$50 gift cards. Evidence at trial demonstrated that Rao was paid in exchange for signing off on medically unnecessary and repetitive toxicology and genetic tests.

Rao was convicted of two counts of health care fraud. He is scheduled to be sentenced on March 27, 2023 and faces a maximum penalty of 10 years in prison for each health care fraud count. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Assistant Attorney General Kenneth A. Polite, Jr. of the Justice Department's Criminal Division; U.S. Attorney Chad E. Meacham for the Northern District of Texas; Special Agent in Charge Michael Mentavlos of the Defense Criminal Investigative Service (DCIS); Acting Special Agent in Charge Kelly Blackmon of the Department of Health and Human Services Office of Inspector General (HHS-OIG) Dallas Regional Office; Special Agent in Charge Matthew J. DeSarno of the FBI Dallas Field Office; Special Agent in Charge Steven Grell of the Department of Labor Office of Inspector General (DOL-OIG) Dallas Regional Office; and Special Agent in Charge Jeffrey Breen of the Veterans Affairs Office of Inspector General (VA-OIG) South Central Field Office made the announcement.

DCIS, HHS-OIG, FBI, DOL-OIG, and VA-OIG investigated the case.

Trial Attorneys Shy Jackson and Lee Michael Hirsch of the Criminal Division's Fraud Section are prosecuting the case.

The Fraud Section leads the Health Care Fraud Strike Force. Since its inception in March 2007, the Health Care Fraud Strike Force, which maintains 15 strike forces operating in 24 districts, has charged more than 4,200 defendants who have collectively billed the Medicare program for nearly \$19 billion. In addition, the Centers for Medicare & Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to hold providers accountable for their involvement in health care fraud schemes. More information can be found at <https://www.justice.gov/criminal-fraud/health-care-fraud-unit>.

Topic(s):

Health Care Fraud

Component(s):

Criminal Division

Criminal - Criminal Fraud Section

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