Physician and Office Manager Settle Anti-Kickback Allegations Involving Laboratories



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On December 14, 2022, the United States Department of Justice (DOJ) announced that a physician and his office manager, who is the physician's wife, agreed to pay $422,789 to settle allegations against them under the False Claims Act. The physician and his wife allegedly received illegal kickbacks in violation of the Anti-Kickback Statute in return for the physician's referrals to three laboratories in New Jersey, South Carolina, and Texas. The Anti-Kickback Statue prohibits offering, paying, soliciting, or receiving remuneration to induce referrals of items or services covered by Medicare, Medicaid, and other federally funded healthcare programs.

With respect to New Jersey, the physician allegedly received thousands of dollars in kickbacks disguised as investment returns from Avior Group LLC, a purported management services organization, in exchange for referring laboratory tests to RDx Bioscience, Inc., a clinical laboratory in Kenilworth, New Jersey. Under the settlement, the physician and his wife agreed to cooperate with the DOJ's investigation of, and litigation against, other participants in the alleged schemes.

In the press release announcing the settlement, U.S. Attorney for the District of New Jersey, Phillip R. Sellinger, stated, "Patients deserve to know that the decisions their healthcare providers are making are based solely on their medical needs, not on some profit-making scheme. Our office will continue to pursue anyone responsible for actions that have the potential to corrupt the medical-decision making process."

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