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NEWS



Medical Clinic Director, CEO Plead Guilty To Health Care Fraud, False Tax Return

FOR IMMEDIATE RELEASE

March 22, 2013

KANSAS CITY, Mo. – Tammy Dickinson, United States Attorney for the Western District of Missouri, announced that the married owner/director and chief executive officer of a Kansas City, Mo., medical clinic pleaded guilty in federal court today to health care fraud and filing a false tax return.

Carol Ann Ryser, 76, and Michael Earl Ryser, 68, both of Mission Hills, Kan., pleaded guilty before U.S. District Judge Greg Kays to the charges contained in a June 26, 2012 federal indictment.

Carol Ryser owned Health Centers of America-Kansas City, LLC (HCA), a medical clinic in Kansas City, Mo., that was closed yesterday as part of today's plea agreement. HCA purported to specialize in the diagnosis and treatment of chronic diseases such as Lyme disease, chronic fatigue syndrome, fibromyalgia, and other auto immune diseases.

Carol Ryser, who was a medical doctor and the clinic's medical director, surrendered her medical license today as a condition of her plea agreement. Carol Ryser may never again seek licensing to practice medicine in the United States and she may never be involved as an owner or employee (or in any other capacity) with any medical clinic, hospital or other health care provider. Michael Ryser was the CEO, chief administrator and vice-president.

Health Care Fraud

By pleading guilty today, the Rysers admitted that they engaged in fraudulent billing by "upcoding" and falsifying claims submitted to insurers (including Blue Cross Blue Shield, Cigna, United Healthcare and others, as well as government programs such as Medicare and Tricare) in an effort to be paid more than the amount to which HCA was entitled.

The Ryser's scheme included: (a) billing for physician office visits when Carol Ryser was out of town; (b) billing for physician office visits when Carole Ryser had little or no involvement with the patient; (c) billing for physician office visits when the patient contact was by telephone call; (d) billing for physician-supervised services when no physician was on duty at the clinic; and (e) improperly billing for consultation services.

The federal indictment describes six variations of billing fraud and includes tables of claims demonstrating each type of billing fraud. For those claims specifically included in the indictment, the total amount billed on those claims was \$359,168. The total amount that was actually paid on those claims by health care benefit programs was \$51,789.

False Tax Return

The Rysers also admitted that they willfully filed a false tax return for the year 2006. They understated their gross receipts and substantially overstated their expenses for 2006.

The indictment included three tax counts alleging that the Rysers operated their business as a sole proprietorship and gross receipts were deposited into two bank accounts that Michael Ryser maintained and controlled. However, they reported only the gross receipts deposited into one bank account and just part of the gross receipts deposited into the second bank account.

The Rysers understated their \$10,060,012 in combined gross receipts for 2006-2008 by a total of \$2,501,802 – nearly 25 percent of the gross receipts for these three years. They overstated their expenses for 2006 by \$9,462,145. The total tax loss for 2006-2008 was \$615,749.

Under the terms of today's plea agreements, Michael Ryser will be sentenced within a range of 24 to 30

Tammy Dickinson
United States Attorney for the
Western District of Missouri is
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months in federal prison without parole. Carol Ryser will receive a sentence of three years of probation, including six months of home detention. The Rysers must pay \$51,789 in restitution to the health care benefit programs that were defrauded. Sentencing hearings will be scheduled after the completion of presentence investigations by the United States Probation Office.

This case is being prosecuted by Assistant U.S. Attorneys Thomas M. Larson and Lucinda Woolery. It was investigated by the Health and Human Services Office of Inspector General, the Department of Labor Employee Benefits Security Administration, the FBI, IRS-Criminal Investigation, the Defense Criminal Investigative Service and the Food and Drug Administration.

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