NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California

United States Attorney
Carol C. Lam

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For Immediate Release

NEWS RELEASE SUMMARY - May 19, 2003

United States Attorney Carol C. Lam announced that Herman Eric Wetsman, D.O. pleaded guilty today to a felony mail fraud charge arising from a scheme to defraud state and federal health care benefit plans and in a separate civil settlement agreement has agreed to pay $1 million to resolve his civil liability with the Government.

Wetsman entered his guilty plea to a one count Information in United States District Court in San Diego before the Honorable John S. Rhoades. According to the Information, Dr. Wetsman defrauded Medicare, Medi-Cal, TRICARE, and the Federal Employee Health Benefit Plan over a five-year period by billing for surgical nasal endoscopies that either were not performed or were upcoded from diagnostic nasal endoscopies. In pleading guilty, Wetsman admitted that he submitted false billings for nasal endoscopies as well as breathing, hearing and allergy tests which were not medically reasonable and necessary as required by law.

According to Assistant United States Attorneys Yesmin E. Saide and Faith A. Devine, who are prosecuting the criminal case, the Information charges that Dr. Wetsman submitted numerous false and inflated bills to the federally funded health care plans. During the time period, Dr. Wetsman falsified patient charts and medical reports to justify and optimize his fraudulent billings to these health care programs.

In the civil settlement agreement, Wetsman agreed to pay $1 million to resolve his civil liability to the United States and the State of California under the federal False Claims Act, 31 U.S.C. §§ 3729-3733, and the California False Claims Act, Cal. Gov't Code §§ 12650-55, for claims submitted to the above-referenced health care programs from January 1, 1996 to December 31, 2000 for surgical nasal endoscopies and breathing, hearing, and allergy tests. As part of the civil settlement, Wetsman has agreed to a fifteen-year exclusion from all federal health care programs, which include Medicare, Medicaid, Medi-Cal, TRICARE, and the Federal Employees Health Benefits Program.

United States Attorney Lam said, "This office is committed to vigorously prosecuting health care providers who defraud federal and state health care programs. In this case the defendant, a professional physician, deliberately cheated these programs and abused the trust of his patients."

U. S. Attorney Lam praised the efforts of the United States Department of Health and Human Services, the Federal Bureau of Investigation, the Defense Criminal Investigative Service and the California Department of Justice, which conducted the joint investigation culminating in the guilty plea.

The defendant is scheduled for sentencing on November 3, 2003.

DEFENDANT

HERMAN ERIC WETSMAN, D.O.

SUMMARY OF CHARGES

Mail fraud in violation of Title 18, United States Code, § 1341
Maximum penalty - five years imprisonment and $250,000 fine

AGENCIES

United States Department of Health and Human Services
Federal Bureau of Investigation
Defense Criminal Investigative Service
California Department of Justice