



Office of the Special Narcotics Prosecutor For the City of New York Bridget G. Brennan, Special Narcotics Prosecutor

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Contacts:

Special Narcotics Prosecutor's Office
Kati Cornell
(212) 815-0525

Physician Pleads Guilty to 16 Felony Charges: Operated Brooklyn Pill Mills and Directed Fraudulent Medicaid/Medicare Billing

Bridget G. Brennan, New York City's Special Narcotics Prosecutor, announces the guilty plea of Dr. LAZAR FEYGIN, the operator of two medical clinics in Brooklyn, in connection with schemes to illegally sell prescriptions for millions of oxycodone pills, to defraud Medicaid and Medicare of millions of dollars and to commit money laundering.

Earlier this afternoon, FEYGIN pled guilty to 16 felonies, including multiple counts of Conspiracy in the Fourth Degree, Criminal Sale of a Prescription for a Controlled Substance and Health Care Fraud. The guilty plea was entered before Manhattan Supreme Court Justice Neil Ross. Sentencing is set for April 23, 2019, at which time FEYGIN is expected to receive a five-year prison sentence and forfeit his medical license under the terms of his plea. Guilty pleas to Money Laundering charges were entered on behalf of FEYGIN's corporations PARKVILLE MEDICAL HEALTH, P.C. and LF MEDICAL SERVICES OF NY, P.C.

FEYGIN was among 13 individuals charged on April 7, 2017 following a long-term wiretap investigation by the Special Narcotics Prosecutor's (SNP) Prescription Drug Investigation Unit, the U.S. Drug Enforcement Administration's (DEA) Long Island District Office -Tactical Diversion Squad (LIDO-TDS), the Brooklyn District Attorney's Office, the Office of the Inspector General for the U.S. Department of Health and Human Services (OIG HHS), the New York City Department of Investigation (DOI), the New York City Human Resources Administration (HRA) and the New York State Health Department's Bureau of Narcotic Enforcement (BNE). DEA's LIDO-TDS comprises agents and officers of the DEA, Port Washington Police Department, Nassau County Police Department, Suffolk County Police Department, Rockville Centre Police Department and the Internal Revenue Service (IRS).

In entering his guilty plea, FEYGIN admitted to directing medical professionals and office staff at his two clinics to subject patients to unnecessary medical tests that were then fraudulently billed to Medicaid and Medicare. To induce patients to submit to these tests, FEYGIN and his staff illegally provided patients with prescriptions for oxycodone, an addictive opioid painkiller, for no legitimate medical purpose. FEYGIN admitted to directing his employees to provide oxycodone prescriptions to individuals he knew were illegally reselling the pills and to those using illicit drugs, such as heroin.

A small group of employees, including another physician, PAUL MCCLUNG, broke off from FEYGIN's organization to open a third Brooklyn pill mill, PM MEDICAL, where the criminal schemes were replicated. MCCLUNG is among four defendants who previously pled guilty and were sentenced in connection with the case. The cases against seven defendants remain open.

FEYGIN and his staff were responsible for prescribing over 3.7 million oxycodone pills between early 2012 and early 2017 and received over \$16 million in reimbursements from Medicaid/Medicare. PM MEDICAL practitioners prescribed over 2.6 million pills between 2013 and 2017 and received over \$8.6 million in revenue. Both FEYGIN and MCCLUNG were in the top 10 highest reimbursed providers for all of MetroPlus Health Plan for three years from January 1, 2014 through December 31, 2016.

Members of the conspiracies engaged in laundering money to conceal illicit proceeds. As the main architect of the scheme, FEYGIN held extensive real estate holdings, made frequent trips overseas and regularly purchased luxury goods. A federal civil forfeiture action is currently being overseen by the U.S. Attorney's Office for the Eastern District of New York.

The case is being prosecuted by Assistant District Attorney Tess Cohen, Deputy Chief of the SNP's Prescription Drug Investigation Unit, and Assistant District Attorney Kristin Bailey.

FEYGIN INDICTMENT

PLEA CHARGES /SENTENCING

Lazar Feygin Staten Island, NY 2/14/1947	<i>Guilty Plea – Awaiting Sentence</i> Conspiracy 4 th – 3 cts (1-3 yrs incarceration each) Criminal Sale of a Prescription for a Controlled Substance – 11 cts (5 yrs incarceration, 1 yr PRS each) Health Care Fraud 1 st – 1 ct (1-3 yrs incarceration) Health Care Fraud 2 nd – 1 ct (1-3 yrs incarceration)
Rachel Smolitsky Stamford, CT 12/17/1952	<i>Sentenced to Conditional Discharge, Civil Forfeiture</i> Grand Larceny 3 rd – 1 ct
Michael Taitt New York, NY 5/14/1960	<i>Sentenced to Concurrent Terms of Incarceration, Forfeited Medical License, Civil Forfeiture</i> Conspiracy 4 th – 2 cts (1-3 yrs incarceration) Criminal Sale of a Prescription for a Controlled Substance –5 cts (2 yrs incarceration, 1 yr PRS) Health Care Fraud 1 st – 1 ct (1-3 yrs incarceration)
Parkville Medical Health	<i>Guilty Plea – Awaiting Sentence</i> Money Laundering 1 st – 1 ct (conditional discharge, civil forfeiture)
LF Medical Services of NY	<i>Guilty Plea – Awaiting Sentence</i> Money Laundering 2 nd – 1 ct (conditional discharge, civil forfeiture)

MCCLUNG INDICTMENT

PLEA CHARGES /SENTENCING

Paul McClung Valley Stream, NY 5/8/1959	<i>Sentenced to Concurrent Terms of Incarceration, Forfeited Medical License, Civil Restitution</i> Conspiracy 4 th – 2 cts (1-3 yrs incarceration) Criminal Sale of a Prescription for a Controlled Substance – 5 cts (3 yrs incarceration, 1 yr post release supervision) Health Care Fraud 1 st – 1 ct (1-3 yrs incarceration) Health Care Fraud 2 nd – 1 ct (1-3 yrs incarceration)
Abdus Sattar Queens, NY 12/31/1957	<i>Sentenced to 5 Years Probation, Forfeited Physician's Assistant License, Civil Forfeiture</i> Conspiracy 4 th – 1 ct Criminal Sale of a Prescription for a Controlled Substance – 5 cts
PM Medical	<i>Sentenced to Conditional Discharge, Civil Restitution</i> Health Care Fraud 1 st – 1 ct