

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

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For Immediate Release

UNITED STATES WINS MEDICARE FRAUD JUDGMENT AGAINST OWNERS OF FORMER SAN DIEGO PSYCHIATRIC HOSPITAL

NEWS RELEASE SUMMARY - October 2, 2006

Carol Lam, the United States Attorney for the Southern District of California, and Peter D. Keisler, Assistant Attorney General for the Civil Division, United States Department of Justice, announced today that the owners of a former San Diego psychiatric hospital have been found liable after trial for more than \$23 million in damages and penalties for having submitted false claims to the federal Medicare program. United States District Judge Roger Benitez ruled that defendants Robert I. Bourseau, Dr. Rudra Sabaratnam, and their two single-employee corporations, RIB Medical Management Services, Inc., and Navatkuda, Inc., billed Medicare for almost \$8 million in unallowable costs. In a judgment entered on September 29, 2006, in the Southern District of California, Judge Benitez awarded to the United States \$23,776,332 for treble damages and \$31,000 in civil penalties against these four defendants.

Bourseau and Sabaratnam owned the Chula Vista psychiatric hospital formerly known as Bayview Hospital & Mental Health Systems. According to the evidence presented at trial, between 1997 and 1999, Bourseau and Sabaratnam caused the submission to the Medicare program of false cost reports for Bayview Hospital. Those cost reports, seeking reimbursement from the Medicare program for millions of dollars, included a variety of false costs, such as amounts for a fictitious lease, reimbursement for unused hospital space, and millions of dollars in costs that were actually attributable to the defendants' business enterprises unrelated to Bayview Hospital. Because of these falsehoods, Bayview Hospital and its owners were overpaid millions of dollars in payments from the Medicare program. The United States filed suit under the False Claims Act seeking repayment to the federal government of treble damages and civil penalties.

In finding Bourseau, Sabaratnam, RIB Medical Management Services, Inc., and Navatkuda, Inc., all liable for repayment to the United States of more than \$23 million, Judge Benitez, in his written opinion, paraphrased Supreme Court Justice Oliver Wendell Holmes and stated that "hospital owners must turn square corners" when dealing with the federal government's Medicare and Medicaid programs.

United States Attorney Lam said, "Those who think about cheating Medicare might want to think again -- the defendants here must now pay more than three times what they stole."

The case was handled by the Justice Department's Civil Division in Washington, D.C., and the United States Attorney's Office in San Diego, in collaboration with the Office of the Inspector General of the Department of Health and Human Services and the Federal Bureau of Investigation.