



The United States Attorney's Office

Central District of California



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Release No. 10-035

February 22, 2010

FORMER HOSPITAL EXECUTIVE SENTENCED TO 37 MONTHS FOR PAYING KICKBACKS IN 'SKID ROW' HEALTH CARE FRAUD SCHEME

LOS ANGELES – The former co-owner of City of Angels Medical Center was sentenced today to 37 months in federal prison for paying illegal kickbacks for referrals of “patients” who were recruited from Los Angeles’ “Skid Row.”

Robert Bourseau, 75, who maintains residences in Rancho Mirage and downtown Los Angeles, was sentenced by United States District Judge George H. King. Bourseau, who was chairman of the board of the now-defunct City of Angels, also was ordered to pay \$4.1 million in restitution for his role in the scheme that defrauded Medicare and Medi-Cal by recruiting homeless persons from Skid Row for unnecessary medical services.

During today’s sentencing hearing, Judge King said that Bourseau’s conduct was “extraordinarily serious” and that kickback schemes tend to “degrade the health care system all because of greed and money.” Judge King added: “Society must know that those who abuse the health care system must answer for that conduct in court.”

Bourseau and Dante Nicholson, a former senior vice president at City of Angels, were indicted in January 2009 by a federal grand jury. Also named in the indictment was Intercare Health Systems, Inc., the company through which Bourseau and his partner, Rudra Sabaratnam, operated City of Angels. The 12-count indictment alleges that Intercare, Bourseau, Nicholson and others conspired to recruit homeless people to receive unnecessary health services for the purpose of committing health care fraud.

When he pleaded guilty in June, Bourseau admitted that he schemed to pay Estill Mitts and others to refer homeless Medicare and Medi-Cal beneficiaries to City of Angels for in-patient hospital stays. City of Angels entered into sham contracts intended to conceal the illegal kickbacks paid to Mitts, and billed Medicare and Medi-Cal for in-patient services to the recruited homeless beneficiaries, including those for whom hospitalization was not medically necessary.

In December 2008, Sabaratnam, 65, a physician who resides in Brentwood, pleaded guilty to paying illegal kickbacks for patient referrals, and he is scheduled to be sentenced on April 5. In late January, Bourseau and Sabaratnam agreed to pay the United States \$10 million to resolve a civil lawsuit that they defrauded Medicare and Medi-Cal. In March 2009, Nicholson pleaded guilty to paying kickbacks for patient referrals, and he is scheduled to be sentenced on June 14.

Mitts, 64, of Los Angeles, who operated a center that recruited homeless people to receive unnecessary health services, pleaded guilty in September 2008 to conspiracy to commit health care fraud, money laundering, and tax evasion, and he is scheduled to be sentenced on June 21.

In a related case, Vincent Rubio 49, of Los Angeles, the former chief financial officer of Tustin Hospital and Medical Center, has agreed to plead guilty to paying illegal kickbacks for patients who were recruited from "Skid Row." Rubio is scheduled to make his first court appearance in that case next Monday.

These cases are part of an ongoing investigation being conducted by the U.S. Department of Health and Human Services, Office of Inspector General; the Federal Bureau of Investigation; IRS-Criminal Investigation Division; the California Department of Justice Bureau of Medi-Cal Fraud and Elder Abuse; and the Health and Law Enforcement Team (HALT), a multi-agency task force which is operated by the Los Angeles County Health Department.

Anyone with information that could assist the ongoing investigation is encouraged to contact investigators with the Department of Health and Human Services by calling 1-800-HHS-TIPS, or emailing HHSTips@oig.hhs.gov.

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